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PROCEEDINGS
(Revised)
of the
SPECIAL COMMITTEE

Appointed to consider questions relating to the

**PENSIONS, INSURANCE AND RE-ESTABLISHMENT
OF RETURNED SOLDIERS**

SESSION 1924

PRINTED BY ORDER OF PARLIAMENT



OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1924

PROCEEDINGS

(Continued)

of the

SPECIAL COMMITTEE

Appointed to consider questions relating to the

PENSIONS, INSURANCE AND RE-ESTABLISHMENT
OF RETURNED SOLDIERS

SESSION 1934

PRINTED AT ORDER OF PARLIAMENT



PRINTED
BY THE
PRINTERS OF THE HOUSE OF COMMONS
IN THE CITY OF LONDON
UNDER THE SUPERVISION OF THE CLERK OF THE PARLIAMENTS

ORDER OF REFERENCE

PENSIONS

REPORTS OF THE COMMITTEE

1924, April 15

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ORDER OF REFERENCE

PENSIONS

HOUSE OF COMMONS,

TUESDAY, April 15, 1924.

Resolved,—That a Special Committee be appointed to consider questions relating to the pensions, insurance and re-establishment of returned soldiers and any amendments in the existing laws in relation thereto which may be proposed or considered necessary by the Committee; with power to send for persons, papers and records, to print from day to day its proceedings and the evidence taken, for the use of the Committee, and to report from time to time; and that the said Committee do consist of the following Members, viz:—Messrs. Arthurs, Black (Yukon), Brown, Caldwell, Carroll, Chisholm, Clark, Clifford, Denis (Joliette), Hudson, Humphrey, Knox, MacLaren, McKay, Munro, Pelletier, Power, Raymond, Robinson, Robichaud, Ross (Kingston), Sinclair (Queens, P.E.I.), Sinclair (Oxford), Speakman, Stork, Sutherland and Wallace; and that Rule 11 be suspended in relation thereto.

Attest.

W. B. NORTHRUP,

Clerk of the House.

WEDNESDAY, April 16, 1924.

Ordered,—That the name of Miss Macphail be added to the said Committee.

Attest.

W. B. NORTHRUP,

Clerk of the House.

FRIDAY, May 30, 1924.

Ordered,—That the quorum of the said Committee be reduced to nine members.

Attest.

W. B. NORTHRUP,

Clerk of the House.

FRIDAY, May, 30, 1924.

Ordered,—That the Second Interim Report, dated May 1924, of the Royal Commission on Pensions and Re-establishment, which was presented to the House on May 12, be referred to the said Committee.

Attest.

W. B. NORTHRUP,

Clerk of the House.

WEDNESDAY, June 4, 1924.

Ordered,—That the name of Mr. Shaw be added to the said Committee.

Attest.

W. B. NORTHRUP,

Clerk of the House.

MEMBERS OF THE COMMITTEE.

Mr. JEAN J. DENIS (Joliette), *Chairman*.

Messrs. Arthurs,
Black (Yukon),
Brown,
Caldwell,
Carroll,
Chisholm,
Clark,
Clifford,
Hudson, Hon. A. B.,
Humphrey,
Knox,
MacLaren,
McKay,
Miss Macphail,

Messrs. Munro,
Pelletier,
Power,
Raymond,
Robinson,
Robichaud,
Ross (Kingston),
Shaw,
Sinclair, Hon. J. E.,
Sinclair (Oxford),
Speakman,
Stork,
Sutherland,
Wallace.

V. Cloutier, *Clerk of Committee*.

J. P. Doyle, *Assistant Clerk of Committee*.

MEMBERS OF SUB-COMMITTEES

To draft "meritorious clause."—Messrs. Clark, Caldwell, Speakman, Arthurs and Denis.

To inquire into jurisdiction of Federal Appeal Board.—Messrs. Caldwell, Speakman, Humphrey, Ross, Clark, Shaw and Denis.

To deal with recommendations for amendments to the Pensions Act, and to supersede all other sub-committees previously appointed.—Messrs. Caldwell, Speakman, Humphrey, Ross, Clark, Shaw and Denis.

To consider extra clothing allowance, and revise schedules for Amputation Cases.—Messrs. Chisholm, Ross, Sinclair, and Caldwell.

To draft recommendation *re* Soldiers' Settlement.—Messrs. Denis, Shaw, and Speakman.

LIST OF WITNESSES

Mr. W. R. Myers, Amputations Association, Toronto, Ont.
Mr. W. S. Dobbs, Amputations Association, Toronto, Ont.
Miss Jaffray, Amputations Association, Toronto, Ont.
Mr. Lyons, Amputations Association, Toronto, Ont.
Mr. Lambert, Amputations Association, Toronto, Ont.
Major John Barnett, Chairman, Soldier Settlement Board.
Major-General W. A. Griesbach, Senator.
Col. John Thompson, Chairman, Board of Pension Commissioners.
Mr. E. L. Newcombe, Deputy Minister of Justice.
Major E. Flexman, Director of Administration, D.S.C.R.
Major C. B. Topp, Secretary, Federal Appeal Board.
Mr. C. B. Reilly, Acting Chairman, Federal Appeal Board.
Col. N. F. Parkinson, Deputy Minister, D.S.C.R.
Mr. E. H. Scammell, Assistant Deputy Minister, D.S.C.R.
Col. C. W. Belton, Chairman, Federal Appeal Board.
Dr. R. J. Kee, Assistant Medical Adviser, Board of Pension Commissioners.
Mr. J. A. W. Paton, Secretary, Board of Pension Commissioners.
Mr. C. Grant MacNeil, Secretary, G.W.V.A.
Mr. W. G. McQuarrie, M.P., New Westminster, B.C.
Major M. A. Macpherson, G.W.V.A., Regina, Sask.
Mr. Alexander Walker, G.W.V.A., Calgary, Alta.
Mr. A. E. Moore, G.W.V.A., Winnipeg, Man.
Mr. E. S. B. Hind, Secretary-Treasurer, Tuberculous Veterans Association.
Mr. T. L. Church, M.P., Toronto, Ont.
Mr. S. Mabey, Acting Chairman, Soldier Settlement Board.

LIST OF EXHIBITS

- No. 1. Statistics *re* sales of land, etc. Submitted by Major Barnett.—Read into evidence.
2. Memorandum *re* Returned Soldiers' Insurance. Submitted by Major Flexman.—Read into evidence.
3. Memorandum *re* Federal Appeal Board. Read into evidence. Submitted by Major Topp.
4. Statistics showing Estimated Additional Liability involved in recommendations of the Royal Commission. Printed as appendix. Submitted by Col. Thompson.
5. Statement showing Percentage of Cases Re-appealed. Printed as appendix. Submitted by Major Topp.
6. Copy of Order in Council P.C. 212. Submitted by Major Topp. (Not printed).
7. Letter to G. A. Hooser, D.S.C.R. Read into evidence. Submitted by Mr. McQuarrie, M.P.
8. Letter to G. A. Hooser, from D.S.C.R. Read into evidence. Submitted by Mr. McQuarrie, M.P.
9. Two X-ray Plates *re* Hooser Case. (Not printed). Submitted by Mr. McQuarrie.
10. Exhibit "A," Report of the Board of Tuberculosis Sanatorium Consultants No. 6. Read into evidence. Submitted by Mr. Hind. (1-12-20) page 9, Sect. 17-22.
11. Exhibit "B," Page 41, Twenty-first Annual Report of the Canadian Association for the Prevention of Tuberculosis. Read into evidence. Submitted by Mr. Hind.
12. Exhibit "C," Report of the Department of Civil Re-establishment for the year ending December 31, 1923, paragraph 1, last sentence. Read into evidence. Submitted by Mr. Hind.
13. Exhibit "D," Report of the Board of Tuberculosis Sanatorium Consultants, No. 6 (1-12-20) page 20, Sect. 48-52. Read into evidence. Submitted by Mr. Hind.
14. Exhibit "E," Report of the Royal Commission on Pensions and Re-establishment, page 114, paragraphs 3, 4 and 5. Read into evidence. Submitted by Mr. Hind.
15. Exhibit "F," Minimum Pension—Report of the Board of Tuberculosis Sanatorium Consultants No. 6 (1-12-20), page 11, paragraphs 1-4. Read into evidence. Submitted by Mr. Hind.
16. Exhibit "G," Difficulty of early diagnosis. Read into evidence. Submitted by Mr. Hind.
17. Letter to Chairman from the Tuberculosis Veterans' Association. Printed as Appendix. Submitted by Mr. Hind.
18. Letter to Mr. T. L. Church, M.P. from the D.S.C.R. *re* special cases. (Not printed.) Submitted by Mr. Church, M.P.
19. Copies of Files of Five Special Cases. (Not printed.) Submitted by D.S.C.R.
20. Memorandum *re* Artificial Limbs. (Not printed.) Submitted by Mr. Dobbs.

REPORTS OF COMMITTEE

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MINUTES OF PROCEEDINGS

HOUSE OF COMMONS,

COMMITTEE ROOM 436,

FRIDAY, May 2, 1924.

The Committee pursuant to notice assembled at 10.45 o'clock, a.m.

Members present: Messrs. Black (Yukon), Caldwell, Carroll, Chisholm, Clark Clifford Denis (Joliette), Knox, Robinson, Ross (Kingston), Sinclair (Hon. J. E.), Sinclair (Oxford), Speakman, and Wallace.

In attendance Honourable H. S. Béland and Mr. Kyte.

Mr. Clifford moved that Mr. J. J. Denis be elected as Chairman of the Committee. The motion was unanimously supported and Mr. Denis was declared elected.

The Chairman expressed his thanks for the confidence which all honourable members present had shown in electing him to preside as Chairman of the Committee. Proceeding in his remarks the Chairman referred to some of the questions which the Committee would have to consider and report upon to the House.

The Minister of the Department of Soldiers' Civil Re-establishment, Honourable H. S. Béland, then addressed the Committee referring to the investigation made by the Ralston Royal Commission, the Pension Act as amended last year, and the question of land settlement.

Mr. Speakman then submitted that in order to complete the organization of the Committee, it might be advisable to appoint a Sub-committee to deal with each of the phases of work such as the question of land settlement and that of pensions. The Chairman expressed himself favourably to the suggestion, and that the proposal would be attended to.

On motion of Mr. Caldwell, the Committee then adjourned to meet again at the call of the Chair.

V. CLOUTIER,
Clerk of the Committee.

COMMITTEE ROOM 436,

WEDNESDAY, May 14, 1924.

1. The Committee met at 11 o'clock a.m., the Chairman, Mr. Jean J. Denis, presiding.

2. *Other Members present:*—Miss Macphail, Messrs. Arthurs, Black (Yukon), Brown, Caldwell, Carroll, Hudson, Humphrey, Knox, MacLaren, Munro, Raymond, Robinson, Robichaud, Sinclair (Oxford), and Speakman.

3. The Chairman directed the attention of the Committee to the question of Soldiers' Land Settlement which it might proceed to consider, with Major Barnett, Chairman of the Soldier Settlement Board who was present, and who could be examined upon the general activities of the administration, also upon the question of revaluation.

4. Communication and petition received:—

(1) From J. Valentine, Secretary, Central Ontario Regional Veterans' Alliance, Toronto.—a resolution recommending that the time allowed in which to file an appeal before the Federal Appeal Board namely, to August 4, 1924, be extended to August 4, 1925.

(2) From Walter I. Fawcett, St. Gregor, Saskatchewan.—a petition recommending a revaluation of livestock, equipment, and land in certain cases; also that payments in kind instead of currency be received; also a relaxation of what he terms the "rigid residence clause" to enable a settler to hire a substitute under guarantee that the Board's interests will be fully protected.—Said communications were referred to the Sub-Committee.

5. Major Barnett was called, sworn, and examined. In the course of the evidence given, Mr. Arthurs, and other members of the Committee requested certain statistics relating to lands, etc. (See Appendix to Major Barnett's evidence in this day's printed proceedings).

6. The Committee, on motion of Mr. Carroll, then adjourned to meet again at the call of the Chair.

V. CLOUTIER,

Clerk of the Committee.

WEDNESDAY, May 21, 1924.

The Committee met at 11 o'clock, a.m., the Chairman, Mr. J. J. Denis, presiding.

Other Members present: Miss Macphail, Messrs. Arthurs, Black (Yukon), Caldwell, Carroll, Chisholm, Humphrey, Knox, McKay, Robinson, Ross (Kingston), Sinclair, Hon., Speakman and Wallace.

In attendance:—Major Barnett, Major Ashton, S. Maber, W. C. Cavers, and Captain Freer, of the Soldier Settlement Board.

Communications received:—

1. From Toronto Branch, Tuberculosis Association,—requesting consideration *re* needs of tuberculosis ex-service men including irreducible minimum pension, etc.

2. From Kentville Branch (N.S.), G.W.V.A., submitted by Mr. Robinson, M.P., recommending permission of appeal in the following cases:—

(a) From the assessment of pensions to ex-service men and their dependents by the Board of Pension Commissioners.

(b) From the cutting off by the Board of Pension Commissioners of pensions awarded to widows of deceased ex-service men.

(c) From the non-award of pensions by the Board of Pension Commissioners to the widows and dependents of ex-service men.

Also resolution, recommending that the bonus as now included in pensions awarded to ex-service men, their widows and dependents, be made permanent.—Referred to Sub-Committee.

The Chairman submitted that leave might be granted to Major-General W. A. Griesbach, member of the Senate, to present a verbal statement to the Committee in respect to amendments of the Pension Act, 1923, the question of land settlement and revaluation all of which are now under consideration. Senator Griesbach then proceeded with his statement and the same was considered by the Committee.

APPENDIX No. 6

Major Barnett was re-called for examination upon the question of land settlement, also as to the statistics which had been requested during his previous examination relating to resale of lands, etc.

At one o'clock Major Barnett's examination was not concluded and the Committee adjourned until Thursday, 22nd May, at 11 o'clock, am.

V. CLOUTIER,
Clerk of the Committee.

COMMITTEE ROOM 436,
THURSDAY, May 22, 1924.

The Committee met at 11 o'clock a.m., the Chairman, Mr. J. J. Denis, presiding.

Other Members present: Miss Macphail, Messrs. Caldwell, Carroll, Humphrey, Knox, MacLaren, Robinson, Robichaud, Sinclair (Hon. J. E.), Speakman, and Wallace.

The Chairman directed the attention of the Committee to an error on pages 41 and 49 of the printed proceedings.

The Chairman informed the Committee that the Second Interim Report of the Ralston Commission was not yet available, and that he would immediately inquire into the cause of delay.

The Committee proceeded to further consider the question soldiers land settlement. Major Barnett, Chairman of the Soldier Settlement Board was recalled.

In the course of the proceedings Mr. Robinson submitted, seconded by Mr. Carroll, the following proposed resolution:—

That the regulations of the Soldier Settlement Board as given in Circular No. 376, section 1, dated February 16th, 1924, be not applied to the cases of the repatriation of Canadian ex-service men.

(See section 1 referred to in the stenographic report).

At one o'clock the Committee adjourned to meet at the call of the Chair.

V. CLOUTIER,
Clerk of the Committee.

COMMITTEE ROOM 436,
WEDNESDAY, May 28, 1924.

The Committee met at 10.45 a.m., the Chairman, Mr. J. J. Denis, presiding.

Other Members present:—Miss Macphail, Messrs. Caldwell, Carroll, Hudson, Humphrey, Knox, MacLaren, McKay, Robinson, Ross (Kingston), Sinclair, Hon. J. E. Sinclair (Oxford), Speakman, Sutherland, and Wallace.

Major Barnett, Chairman of the Soldier Settlement Board, was recalled and further examined. In the course of the proceedings, Major Barnett gave prices at which Farms, Lumber, and raw lands were purchased; also prices at which salvaged farms were sold, in the various Provinces of Canada.

At one o'clock, the Committee adjourned to meet again on Friday, 30th May, at 11 o'clock, a.m.

V. CLOUTIER,
Clerk of the Committee.

14-15 GEORGE V, A. 1924

COMMITTEE ROOM 436,

FRIDAY, May 30, 1924.

The Committee met at 11 a.m., the Chairman, Mr. J. J. Denis, presiding.

Other members present:—Miss Macphail, Messrs. Caldwell, Carroll, Chisholm, Clifford, Hudson, Humphrey, Knox, MacLaren, McKay, Robinson, Robichaud, Sinclair, Hon. J. E., and Speakman.

In attendance:—Colonel Thompson and Mr. Paton of the Board of Pension Commissioners.

Major Barnett, Chairman, Soldier Settlement Board, was recalled for further examination on land settlement. In the course of the proceedings, Major Barnett gave figures showing amounts expended for rents of offices, also cost of administration, and investments in lands, etc.

Mr. Robinson's resolution submitted on 22nd May for consideration respecting the regulations of the Board which govern the issue of qualification certificates, was further considered, and it was resolved that Messrs. Robinson, Carroll, Speakman, Humphrey and Caldwell would confer with the Chairman of the Board, Major Barnett, as to what arrangements could be best effected.

Mr. Carroll moved, seconded by Mr. Caldwell,—That leave be obtained from the House to reduce the present quorum of the Committee to nine members. Motion carried.

Major Barnett then resumed his evidence until one o'clock when the Committee adjourned.

V. CLOUTIER,

Clerk of the Committee.

COMMITTEE ROOM 424,

THURSDAY, June 5, 1924.

The Committee met at 11 a.m., the Chairman, Mr. J. J. Denis, presiding.

Other members present were:—Miss Macphail, Messrs. Arthurs, Caldwell, Carroll, Clifford, Humphrey, Knox, Pelletier, Robichaud, Ross (Kingston), Sinclair (Hon. J. E.) Sinclair (Oxford), Shaw, Speakman, and Wallace.

In attendance:—Col. Thompson and Mr. Paton of the Board of Pension Commissioners.

Major Barnett, Chairman, Soldier Settlement Board, was recalled for further examination on land settlement. In opening the meeting the Chairman announced that there would be no discussion of the recommendations which Major Barnett was going to make at this meeting, but members of the Committee might ask questions. Major Barnett then proceeded with his recommendations.

Mr. Speakman gave notice of the following motion to be discussed at a later date:—Resolved that the Soldier Settlement Act, 1919, as amended in 1922, be further amended to provide:

1. No interest shall be chargeable on principal moneys prior to the due date thereof.

2. All overdue principal shall bear interest at the rate of 5 per cent per annum, payable on

APPENDIX No. 6

3. All settlers shall be allowed a discount at the rate of 5 per cent per annum on payments of principal made prior to the due date thereof.

4. The Board shall have discretionary powers to re-locate bona fide settlers who are found to be located upon manifestly unsuitable farms, such re-locations to be made without financial loss to the settlers.

5. The Board shall have discretionary powers to cancel, in whole or in part, the remaining indebtedness in salvage cases where the results of such salvage and re-sale are insufficient to discharge all accrued obligations in full.

Committee adjourned at 1.05 p.m. to meet again Friday, June 6 at 11 a.m.

J. P. DOYLE,
Acting Clerk of the Committee.

COMMITTEE ROOM 424,
FRIDAY, June 6th, 1924.

The Committee assembled at 11 a.m. Those present were:—Messrs. J. J. Denis (Chairman), Humphrey, Knox, McKay, Shaw, and Speakman.

There being no quorum the Chairman adjourned the Meeting until Monday, June 9th.

COMMITTEE ROOM 430,
MONDAY, June 9th, 1924.

The Committee met at 11 a.m., Mr. J. J. Denis, the Chairman, presiding.

Other members present were:—Messrs. Arthurs, Brown, Chisholm, Clark, Humphrey, Knox, Pelletier, Robichaud, Shaw, Speakman, Stork, and Wallace.
—13.

In attendance:—Col. Thompson and Major Flexman, of the Board of Pension Commissioners.

Col. Thompson was called, sworn, and gave evidence.

Moved by Dr. Chisholm, seconded by Col. Arthurs,—

“That a Sub-committee of three Members be appointed to define the phrases ‘wilful concealment’, etc.”—Carried.

Col. Thompson suggested that the Department of Justice be requested to draft a clause that would cover certain cases that he and some Members of the Committee had in mind, which cases were not already covered by the present Act, and which were really meritorious. This clause to be submitted for discussion at the next Meeting of the Committee.

The Committee adjourned at 1.10 p.m. to meet again Wednesday, June 11th at 11 a.m.

J. P. DOYLE,
Acting Clerk of the Committee.

14-15 GEORGE V, A. 1924

COMMITTEE ROOM 436,

WEDNESDAY, June 11, 1924.

The Committee met at 11 a.m., Mr. Jean J. Denis, the Chairman, presiding.

Other Members present were,—Miss Macphail, Messrs. Arthurs, Caldwell, Carroll, Chisholm, Clark, Humphrey, Knox, Robinson, Ross (Kingston), Speakman, and Wallace.—13.

In attendance,—Col. Thompson and Major Flexman of the Board of Pension Commissioners.

The Clerk read a letter from the Hon. A. B. Hudson enclosing a resolution passed by the Brooklands and Weston Branch of the Great War Veterans Association, Winnipeg, Man., urging that the recommendations contained in the Report of the Royal Commission be given legislative effect WITHOUT INTERFERENCE during the present session of Parliament.

The Chairman reported to the Committee the result of his conference with the Deputy Minister of Justice regarding the framing of a "compassionate" or "meritorious" clause, in accordance with the wishes of the Committee as expressed at the previous Meeting.

At the suggestion of Dr. Chisholm it was decided that the Deputy Minister of Justice should be invited to attend the next meeting of the Committee in order to get their views to enable him to draft the above mentioned clause.

Col. Thompson was recalled and proceeded with his evidence.

The Committee then adjourned at 1.05 p.m. to meet again Friday, June 13th at 11 a.m.

J. P. DOYLE,

Acting Clerk of the Committee.

COMMITTEE ROOM 436,

FRIDAY, June 13th, 1924.

The Committee met at 11 a.m., Mr. Jean J. Denis, the Chairman, presiding.

Other Members present were:—Messrs. Arthurs, Brown, Caldwell, Clark, Hudson, Humphrey, Knox, McKay, Raymond, Robinson, Robichaud, Ross (Kingston), Sinclair (Hon. J. E.), Shaw, Speakman, and Wallace.—17.

In attendance:—Mr. Newcombe, Deputy Minister of Justice; Col. Thompson, Chairman of the Board of Pension Commissioners, and Major Flexman, of the Insurance Branch of the D.S.C.R.

Mr. Newcombe submitted a draft of the "compassionate" or "meritorious" clause as requested by the Chairman, and after consideration thereof, it was moved by Mr. Arthurs, seconded by Mr. Wallace, "That Messrs. Clark, Caldwell, Speakman, Arthurs, and the Chairman, be appointed a Sub-committee to confer with Mr. C. Grant MacNeil and draft a statement covering what the Committee has in view, for submission to the Justice Department to enable the said Department to draft a suitable clause."—Carried.

APPENDIX No. 6

Recommendations were made by Mr. Shaw submitting a plan for re-valuation of land held by soldiers. Consideration of same to take place at a subsequent meeting of the Committee.

Col. Thompson then proceeded with his evidence.

On the suggestion of Col. Thompson, and the Committee concurring, it was resolved "That a Sub-committee be appointed to confer with a representative of the Amputations Association regarding the question of adequate allowance for certain clothing."

After further evidence the witness retired, and the Committee adjourned at 1 p.m., to meet again Tuesday, June 17th, at 11 a.m.

J. P. DOYLE,
Acting Clerk of the Committee.

COMMITTEE ROOM 436,

TUESDAY, June 17th, 1924.

The Committee met at 11 a.m., the Chairman, Mr. Jean J. Denis, presiding.

Other members present: Miss Macphail, Messrs. Arthurs, Caldwell, Clark, Humphrey, Knox, Pelletier, Robinson, Sinclair (Hon. J. E.), Speakman and Wallace,—12.

In attendance: Major Flexman, Director of Administration, D.S.C.R., Major Topp, Secretary, and Mr. C. B. Reilly, Acting Chairman, Federal Appeal Board.

The Chairman informed the Committee that Col. Thompson, Chairman of the Board of Pension Commissioners, was unavoidably absent owing to an urgent call from Toronto, but that he would appear at the next meeting to conclude his evidence.

Major Flexman, called and sworn was examined for evidence relating to soldiers' insurance. The witness submitted a statement which is printed in the evidence.

The Committee, in the course of the evidence given, decided that certain regulations and practices instituted by the Board of Pension Commissioners would be further inquired into. It was resolved that the said regulations be embodied in the minutes of the proceedings.

Major C. B. Topp, called and sworn was examined upon the activities of the Federal Appeal Board. In the course of his evidence, the witness submitted a statement which was ordered printed as an appendix to the proceedings. (See Appendix herein).

The Committee then adjourned at 1.05 p.m., to meet again on Thursday, June 19th, at 11 a.m.

J. P. DOYLE,
Acting Clerk of the Committee.

14-15 GEORGE V, A. 1924

COMMITTEE ROOM No. 436,

THURSDAY, June 19, 1924.

The Committee met at 11 a.m., Mr. Jean J. Denis, the Chairman presiding.

Other Members present were.—Miss Macphail, Messrs, Brown, Caldwell, Clark, Clifford, Hudson, Humphrey, Knox, Pelletier, Robinson, Sinclair (Hon. J. E.), Shaw, Speakman, and Wallace—15.

In attendance.—Col. Thompson, Chairman, Board of Pension Commissioners; Major C. B. Topp, Secretary, and Mr. C. B. Reilly, Acting Chairman, Federal Appeal Board.

The Chairman read a telegram, addressed to Mr. Speakman, from the Provincial Secretary of the G.W.V.A. of Alberta asking the Committee to hear their delegates and pay their expenses. The Committee, after consideration, decided that they be invited to express their views in a night lettergram at the expense of the Committee. The Chairman was requested to wire them to this effect.

Col. Thompson was recalled, concluded his evidence and retired, after submitting a financial report on the "Additional Liability involved by recommendations of the Royal Commission."

Major Topp was recalled for further examination. He submitted a statement showing "Percentage of Cases Re-appealed."

Mr. Reilly called and sworn was examined on the Decisions of the Appeal Board.

The Committee adjourned at 1.10 p.m. to meet again Friday, June 20th, at 11 a.m.

J. P. DOYLE,
Acting Clerk of the Committee.

COMMITTEE ROOM No. 436,

FRIDAY, June 20th, 1924.

The Committee met at 11 a.m., Mr. Jean J. Denis, the Chairman, presiding.

Other members present were:—Messrs. Caldwell, Clark, Hudson, Humphrey, Knox, MacLean, Pelletier, Robinson, Sinclair, (Hon. J. E.), and Speakman.—11.

In attendance:—Mr. C. B. Reilly, Acting Chairman, Federal Appeal Board; Mr. N. F. Parkinson, Deputy Minister, D.S.C.R.

Mr. Reilly was recalled and examined on the work of the Federal Appeal Board, having regard especially to differences arising between it and the Board of Pension Commissioners.

The Committee adjourned at 1.15 p.m., to meet Monday, June 23rd, at 11 a.m.

J. P. DOYLE,
Acting Clerk of the Committee.

COMMITTEE ROOM 436,

MONDAY, June 23rd, 1924.

The Committee met at 11 a.m., Mr. Jean J. Denis, the Chairman presiding.

Other members present were:—Miss Macphail, Messrs. Caldwell, Humphrey, Knox, MacLaren, Robinson, Ross (Kingston), Shaw and Speakman.

In attendance:—Mr. C. B. Reilly, Acting Chairman Federal Appeal Board; Col. N. F. Parkinson, Deputy Minister, Department of Soldiers' Civil Re-Establishment.

Mr. Reilly was recalled and continued his evidence on cases where differences arose with the Board of Pension Commissioners.

Mr. Paton, Secretary of the Board of Pension Commissioners, raised the question of the B.P.C. decisions in reference to cases cited by Mr. Reilly being included in the records. The Chairman ruled that the decisions of both Boards should appear but the decisions of the B.P.C. would be taken when their representative gives evidence.

Recommendations made by Mr. Reilly.

Witness questioned by Committee and Mr. MacNeil.

Moved by Mr. Shaw, seconded by Mr. Humphrey "That a small Sub-Committee be appointed to look into the law regarding the jurisdiction of the Appeal Board, and recommend suitable amendments thereto."

The motion being carried the following Sub-Committee was appointed.

Messrs. Caldwell, Speakman, Humphrey, Ross, Clark, Shaw and the Chairman.

The Witness was further questioned.

Moved by Mr. Speakman, seconded by Mr. Caldwell, "That one Sub-Committee be appointed to deal with recommendations for amendments to the Pensions Act. This Sub-Committee shall supersede all other Sub-Committees. and all other Sub-Committees are hereby discharged."

Carried.

The following Sub-Committee was appointed:—Messrs Caldwell, Speakman, Humphrey, Ross, Clark, Shaw and the Chairman.

The Sub-Committee to meet from two to three o'clock p.m. Tuesday, June 24th, 1924.

The Committee adjourned at 1 o'clock p.m. to meet again Wednesday, June 25th, at 11 a.m.

J. P. DOYLE,

Acting Clerk of the Committee.

COMMITTEE ROOM No. 436,

WEDNESDAY, June 25, 1924.

The Committee met at 11 a.m., Mr. J. J. Denis, the Chairman, presiding. Other Members present were:—Messrs. Arthurs, Brown, Caldwell, Carroll, Chisholm, Knox, Robinson, Ross, Speakman and Wallace.

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Witnesses:—Col. N. F. Parkinson, Deputy Minister, Department of Soldiers' Civil Re-establishment, was called, sworn, examined and discharged.

Mr. E. H. Scammell, Assistant Deputy Minister, was called, sworn and examined.

A Resolution was moved by Mr. Arthurs seconded by Mr. Wallace that two certain proposed amendments to the Department of Soldiers' Civil Re-establishment Act, presented to the meeting by Col. Parkinson, be recommended to the House for legislative action.

Adopted.

The Committee adjourned.

A. A. FRASER,
Acting Clerk of the Committee.

COMMITTEE ROOM 436,
FRIDAY, June 27, 1924.

The Committee met at 11 a.m., Mr. Jean J. Denis, the Chairman, presiding.

Other Members present were:—Messrs. Arthurs, Black (Yukon), Caldwell, Carroll, Humphrey, Pelletier, Robinson, Ross (Kingston), and Shaw.—10.

In attendance:—Col. Belton, Chairman, and Major Topp, Secretary, of the Federal Appeal Board; Dr. Kee, Asst. Chief Medical Adviser, Board of Pension Commissioners; and Mr. C. Grant MacNeil, Secretary of the G.W.V.A.

Major Topp was recalled, concluded his evidence, and was discharged from further attendance.

Col. Belton was called, sworn, examined, and discharged from further attendance.

The Chairman advised the Committee that special cases which would illustrate defects either in legislation or administration would be heard, provided that notice of such cases be given to him so that the officials could examine the files and be thoroughly conversant with the details of same when they are brought up.

Witness retired.

The Committee adjourned at 1 p.m., to meet again Monday, June 30th, at 11 a.m.

J. P. DOYLE,
Acting Clerk of the Committee.

COMMITTEE ROOM 429,
MONDAY, June 30, 1924.

The Committee met at 11 a.m., Mr. Jean J. Denis, the Chairman, presiding.

Other Members present were:—Miss Macphail, Messrs. Black (Yukon), Brown, Caldwell, Carroll, Clark, Humphrey, Knox, McKay, Pelletier, Robinson, Ross (Kingston), Hon. J. E. Sinclair, Shaw and Speakman.—16.

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In attendance:—Dr. Kee, Asst. Chief Medical Adviser, and Mr. J. Paton, Secretary, Board of Pension Commissioners; and Mr. C. Grant MacNeil, Secretary, G.W.V.A.

The Chairman read a telegram from B. W. Rosco, G.W.V.A., Kentville, N.S., asking the Committee to hear their delegates; also replies from Hon. H. S. Béland and himself acceding to their request provided their delegates are here not later than 11 o'clock a.m., July 2nd.

The Chairman informed the Committee that he was convinced that the hearing of individual cases which it was proposed to deal with to-day would not achieve the desired results, and he therefore thought it expedient to proceed with the examination of the witnesses, and deal with individual cases later if time permitted. The Committee concurred in this opinion.

Dr. Kee was recalled, examined, and retired.

Mr. Paton was called, sworn, and examined.

Reasons for the decisions of the Board of Pension Commissioners in the seven cases at variance between the B.P.C. and the Federal Appeal Board were read.

It was argued that "Reasons" should accompany judgments of the Federal Appeal Board respecting "entitlement."

Witness was discharged from further attendance.

Mr. C. Grant MacNeil was called, sworn, and examined regarding amendments to the Pension Act. The witness enumerated the subjects with which he proposed to deal, stating briefly his reasons for each.

The Committee adjourned at 1.15 p.m. to meet again Tuesday, July 1st, at 11 a.m.

J. P. DOYLE,
Acting Clerk of the Committee.

COMMITTEE ROOM 436,
TUESDAY, July 1, 1924.

The Committee met at 11 a.m., Mr. Jean J. Denis, the Chairman, presiding.

Other Members present were,—Messrs. Arthurs, Black (Yukon), Brown, Caldwell, Clark, Humphrey, Knox, Pelletier, Robinson, Speakman and Wallace.—12.

Mr. C. Grant MacNeil was recalled and proceeded with his evidence.

The Witness criticized the Board of Pension Commissioners for the manner in which they interpreted and administered the Pension Act. Several charges were made, and cases quoted in support of same against the B.P.C.

Proposed amendments to 1923 legislation not dealt with by the Royal Commission were suggested.

The Witness retired.

The Committee adjourned at 1.05 p.m., to meet again Wednesday, July 2nd, 1924, at 11 a.m.

J. P. DOYLE,
Acting Clerk of the Committee.

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COMMITTEE ROOM 424,

WEDNESDAY, July 2, 1924.

The Committee met at 11 a.m. Mr. Jean J. Denis, the Chairman, being unavoidably absent the Clerk requested the Committee to elect a Chairman pro-tem. Mr. Speakman was elected, and presided.

Other Members present were,—Messrs. Arthurs, Black (Yukon), Brown, Caldwell, Carroll, Clark, Hudson, Humphrey, Knox, Pelletier, Robinson, Robichaud, Ross (Kingston), Shaw, Wallace.—15.

In attendance,—Mr. C. Grant MacNeil, Sec'y, G.W.V.A.; Mr. E. S. B. Hind, Sec'y-Treas., Tuberculosis Veterans Association; Delegates, G.W.V.A.

The Acting Chairman thanked the Committee for the honour conferred on him. He then called on Mr. C. Grant MacNeil to continue his evidence.

The witness then proceeded to explain to the Committee the difficulties that have arisen since the report of the Royal Commission.

The witness concluded his evidence and retired, after introducing to the Committee the G.W.V.A. delegates from different parts of Canada.

The Committee decided to hear as many of the delegates as possible to-morrow as the taking of evidence must close then.

Mr. McQuarrie, M.P., sent word that he wished to appear before the Committee, and the Committee decided to hear him to-morrow.

The Committee adjourned at 1.20 p.m. to meet again Thursday, July 3rd, at 11 a.m.

J. P. DOYLE,

Acting Clerk of the Committee.

COMMITTEE ROOM 436,

THURSDAY, July 3, 1924.

The Committee met at 11 o'clock, a.m., Mr. Jean J. Denis, the Chairman, presiding.

Other Members present were:—Messrs. Arthurs, Black (Yukon), Brown, Caldwell, Carroll, Chisholm, Clark, Hudson, Humphrey, Knox, McKay, Pelletier, Robinson, Ross (Kingston), Speakman, Wallace.—17.

The Chairman then called on Mr. McQuarrie, M.P., who desired to be heard by the Committee.

Mr. McQuarrie proceeded to give evidence, urging the advisability of extending the jurisdiction of the Federal Appeal Board to hear appeals on assessment, and cited individual cases demonstrating the necessity thereof.

Mr. McQuarrie concluded his evidence and retired.

Major M. A. Macpherson of Regina, Sask., was called, sworn, and gave evidence on the soldiers' settlement scheme. He recommended a Capital Cut in the value of soldier settlers' farms.

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Regarding soldiers' pensions, he stated that Mr. MacNeil's evidence represented the views of the returned soldiers.

With reference to the Federal Appeal Board, he argued that appeal should be heard on assessment as well as entitlement.

The witness concluded his evidence and was discharged from further attendance.

Mr. Alexander Walker of Calgary, Alta., was called, sworn, and examined. He thanked the Committee on behalf of Alberta men for the opportunity of expressing their views.

In speaking of land settlement, he recommended the waiving of all interest charges in preference to a Capital Cut or re-valuation, and also recommended that soldier settlers on unsuitable farms should be transferred to suitable farms without loss to the settler.

He spoke of the difficulty of getting cases settled by the Board of Pension Commissioners on account of the Board placing on the applicants the onus of producing proof.

He also concurred in the evidence submitted by Mr. MacNeil, and added that little weight was given by the Board of Pension Commissioners to the opinions of outside medical men.

The Witness concluded his evidence, and was discharged from further attendance.

Mr. MacNeil was recalled, examined and retired.

Mr. A. E. Moore, Winnipeg, Man., was called, sworn, and examined. He spoke on the unemployment situation and vocational training.

He recommended the establishment of a soldiers' home in each province for ex-service men unfit for work.

The Witness concluded his evidence, and was discharged from further attendance.

The Chairman thanked the Witnesses, and extended through the delegates to the ex-service men of Canada a message of sympathetic appreciation of their claims.

Mr. Humphrey gave notice of motion regarding the Board of Pension Commissioners.

The Committee adjourned at 2 p.m., to meet again to-morrow, July 4, at 11 a.m.

J. P. DOYLE,
Acting Clerk of the Committee.

COMMITTEE ROOM 436,
FRIDAY, July 4, 1924.

The Committee met at 11 o'clock a.m., Mr. Jean J. Denis, the Chairman, presiding.

Other Members present were: Messrs. Arthurs, Black (Yukon), Brown, Caldwell, Hudson, Humphrey, Raymond, Robinson, Sinclair (Hon. J. E.), Speakman, and Wallace.—12.

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In attendance: Mr. E. S. B. Hind, Dominion Secretary-Treasurer of the Tuberculous Veterans' Association.

Mr. Hind was called, sworn, and examined regarding the treatment of tuberculosis cases of ex-service men. He recommended that the standard of the American Tuberculosis Association be adopted in Canada. Also that the time limit of one year after discharge for the diagnosis of tubercular cases should be extended.

The witness recommended that the jurisdiction of the Federal Appeal Board should be extended to cover assessment.

Mr. MacNeil received permission from the Chairman to make a statement corroborating Mr. Hind's evidence, and cited illustrative cases.

After further questions Mr. Hind concluded his evidence and was discharged from further attendance.

Mr. Arthurs gave notice of the following motion:—

Moved by Mr. Arthurs, seconded by Mr. Caldwell,—

“(1) That any member of the forces or a dependent or prospective dependent shall have the right to appeal to the Federal Appeal Board from any decision of the Board of Pension Commissioners provided that:—

(a) He shall file with the Federal Appeal Board a statement showing what decision he desires to appeal from, and give reasons.

(b) That the Federal Appeal Board find the above reasons sufficient to warrant such appeal.

The Sub-committee was requested to meet this afternoon at 4 o'clock.

The Committee adjourned at 12.55 o'clock p.m. to meet again Monday, July 7, at 11 o'clock a.m.

J. P. DOYLE,

Acting Clerk of the Committee.

COMMITTEE ROOM No. 436,

MONDAY, July 7, 1924.

The Committee met at 11 o'clock a.m., Mr. Jean J. Denis, the Chairman presiding.

Other Members present were:—Messrs. Black (Yukon), Clark, Humphrey McKay, Raymond, Robinson, Ross, Sinclair (Oxford), Shaw, and Speakman.—11.

In attendances—Mr. Maber, Acting Chairman Soldier Settlement Board

The Chairman read a telegram from the Amputations Association advising that their delegates would be here Tuesday, July 8th, 1924.

The Chairman read a letter from Mr. Hind, Dominion Secretary-Treasurer Tuberculous Veterans' Association, citing individual cases in support of the evidence submitted by him.

Moved by Mr. Humphrey, seconded by Mr. Shaw,

“That in view of the representations and information presented to this Committee:

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"This Committee recommends to the Governor in Council that the Commissioners constituting the Board of Pension Commissioners for Canada be removed from office."

In seconding this resolution Mr. Shaw made the following statement:—

"Mr. Chairman:—I think the matter embodied in the resolution should be considered by this Committee. This is the more important in view of the representations made by soldier representatives before the Committee. While I have an open mind on the subject, I do not think the discussion should fail for want of a seconder to Mr. Humphrey's resolution."

The Chairman ordered a special notice for the discussion of this resolution.

It was moved by Mr. Speakman, seconded by Mr. Shaw,

"That special notice be given for the discussion of the Soldiers' Settlement Act, 1919, and amendments thereto."

Adopted.

Discussion of amendments to the Pensions Act followed:—

(1) Amendment drafted by Mr. Clark for the Sub-Committee *re* Section 12-1 (misconduct clause) was reported to the Main Committee and further amended.

Adopted as amended.

(2) Section 12-2—"Meritorious Clause" drafted by Committee—Adopted.

(3) Section 13—The recommendation of the Ralston Commission adopted as amended.

It was decided to discuss Mr. Humphrey's resolution at the next meeting.

The Committee adjourned at 1.20 o'clock p.m., to meet again at 11 o'clock a.m., Tuesday, July 8th, 1924.

J. P. DOYLE,

Acting Clerk of the Committee.

COMMITTEE ROOM 436,

TUESDAY, July 8, 1924

The Committee met at 11 o'clock a.m., Mr. Jean J. Denis, the Chairman, presiding.

Other Members present were:—Messrs. Black (Yukon), Brown, Caldwell, Carroll, Clark, Clifford, Humphrey, Knox, Raymond, Robinson, Ross (Kingston), and Speakman,—14.

In Attendance:—Mr. Church, M.P.; Mr. Dobbs, and Mr. Myers, of the Amputations Association, Toronto.

The Chairman read a Resolution moved by Mr. Humphrey, seconded by Mr. Shaw,

"That in view of the representations and information presented to this Committee:

"This Committee recommends to the Governor in Council that the Commissioners constituting the Board of Pension Commissioners for Canada be removed from office."

The question of whether or not the motion was in order was discussed.

The Chairman ruled the motion out of order, stating his reasons for so doing, and quoting authorities to justify this ruling.

The Chairman assured the Committee that he had not the slightest objection to the ruling of the Chair being appealed and if such appeal were sustained he would be pleased to report to Parliament the decisions of the Committee.

It was moved by Mr. Caldwell, seconded by Mr. Carroll,
"That the Committee appeal from the ruling of the Chair."

It was then noted that the motion on which the Chairman ruled differed materially from the motion of which notice had been given.

Mr. Caldwell, with the consent of Mr. Carroll, his seconder, withdrew his motion appealing against the ruling of the Chair.

Mr. Humphrey withdrew his motion and substituted therefor a motion, seconded by Mr. Carroll, conforming to the wording of the motion of which notice had been given, and reading as follows:—

"That in view of the evidence brought before this Committee, this Committee bring in a report to the House, recommending the dismissal of the Board of Pension Commissioners."

The Chairman ruled that this motion was not in order.

Mr. Caldwell moved, seconded by Mr. Carroll, that the Committee appeal from the ruling of the Chair.

The question being put to a vote the appeal was sustained.

Consideration of the motion was, after discussion, postponed. The Chairman ordered that the Members of the Committee be specially notified when this motion is again brought up.

Mr. T. L. Church, M.P. addressed the Committee and urged that the Pensions Act be amended so as to facilitate the early settlement of many just claims which do not now come within the scope of the Act.

Mr. Dobbs of the Amputation Association, was called and examined. He mentioned the employment aid by the Government. He also referred to the improvements in artificial limbs, and suggested that the Amputations Association should be consulted on this subject. He advocated increased attendant's allowance for the blind.

The witness concluded his evidence and retired.

Mr. Myers of the Amputation Association, Toronto, was called and examined.

He thanked the Committee for the courtesies extended to the delegates of the Amputation Association on a former occasion.

He referred to the recommendation in Col. Thompson's evidence that certain allowances should be made for extra wear and tear of clothing in amputation cases.

At the suggestion of the witness, the Chairman appointed a Sub-committee to deal with this question.

Dr. Chisholm, Dr. Ross, Dr. Sinclair, and Mr. Caldwell, were appointed members of the Sub-committee to confer with Mr. Dobbs, Mr. Myers, and the expert from the Board of Pension Commissioners.

The witness having concluded his evidence retired.

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Mr. Paton asked for an opportunity for the Pension Board Officials to make a statement and the Chairman promised it would be given at a subsequent meeting.

The Committee adjourned at 1.30 o'clock p.m., to meet again at 11 o'clock a.m. Wednesday, July 9th, 1924.

J. P. DOYLE,
Acting Clerk of the Committee.

COMMITTEE ROOM 436,
WEDNESDAY, JULY 9, 1924.

The Committee met at 11 o'clock a.m., Mr. Jean J. Denis, the Chairman, presiding.

Other Members present were:—Messrs. Arthurs, Black (Yukon), Brown, Caldwell, Clark, Clifford, Humphrey, Knox, Raymond, Robinson, Robichaud, Ross (Kingston), Shaw, Speakman, Wallace.—16.

In attendance:—Mr. J. A. W. Paton, Secretary, Board of Pension Commissioners.

Mr. Paton was recalled and gave statement in behalf of the Board of Pension Commissioners regarding Mr. MacNeil's evidence.

Colonel N. F. Parkinson, Deputy Minister, Department Soldiers' Civil Re-establishment, gave explanation of method of selecting Medical Examiners for the Department of Soldiers' Civil Re-establishment, and the Board of Pension Commissioners.

After further questioning Mr. Paton concluded his evidence and retired.

Mr. C. Grant MacNeil stated that he had documentary proof to support the evidence which he submitted and which Mr. Paton claimed was not correct.

The Committee then proceeded to the consideration of Mr. Humphrey's motion regarding the Board of Pension Commissioners.

It was moved by Mr. Arthurs, seconded by Mr. Caldwell,

“That this resolution be considered ‘in camera’.”

Adopted unanimously.

The Chairman then read the resolution, and discussion followed.

The Committee adjourned at 1.30 o'clock p.m. to meet again, Thursday, July 10, at 11 o'clock a.m.

J. P. DOYLE,
Acting Clerk of the Committee.

COMMITTEE ROOM No. 436,
THURSDAY, July 10, 1924.

The Committee met at 11 o'clock a.m., Mr. Jean J. Denis, the Chairman, presiding.

Other Members present were:—Messrs. Arthurs, Black (Yukon), Brown, Caldwell, Clark, Clifford, Humphrey, Knox, Robinson, Robichaud, Sinclair (Oxford), Shaw, Speakman and Wallace.—15.

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In attendance:—Mr. J. A. W. Paton, Secretary, Board of Pension Commissioners; Col. N. F. Parkinson, Deputy Minister, D.S.C.R.; Mr. E. H. Scammel, Assistant Deputy Minister, D.S.C.R.

After brief discussion it was decided to consider amendments to the Pension Act instead of continuing discussion on Mr. Humphrey's resolution as stated in the Orders of the Day.

Referring to Section 12-(1), the recommendation of the Ralston Commission on page 13 of the Second Interim Report was adopted.

It was moved that Section 12, Subsection 2, be repealed, and be replaced by a new Section No. 22.

Adopted.

Referring to Section 13, the recommendation of the Ralston Commission, as shown on pages 16 and 17 of the Second Interim Report was adopted as amended.

Section 17. The recommendation on page 18 of the Second Interim Report of the Ralston Commission was adopted.

Sections 23-(5), 33-(2), the recommendation of the Ralston Commission on page 22 of the Second Interim Report was adopted as amended.

Section 31-(3), the recommendation of the Ralston Commission on page 23, of the Second Interim Report was adopted as amended.

Section 33-(1), the recommendation of the Ralston Commission on page 31, of the Second Interim Report was adopted as amended.

Section 34-(1), and 34-(3), the recommendation of the Ralston Commission on page 35, of the Second Interim Report was adopted.

Section 38. The recommendation of the Ralston Commission on page 37 was adopted as amended.

Section 41. The recommendation of the Ralston Commission on page 39, of the Second Interim Report was adopted.

Re Lump Sum Payments, the recommendations of the Ralston Commission on pages 42 and 43 of the Second Interim Report were adopted.

Re Schedules A and B, the recommendations of the Ralston Commission on page 45, of the Second Interim Report were adopted.

Re Pension Bonus, the recommendations of the Ralston Commission on page 45, were adopted as amended.

Re Table of Disabilities, the recommendation of the Ralston Commission on page 48 was adopted.

Re Tuberculous cases, the recommendations of the Ralston Commission on page 49, of the Second Interim Report were adopted as amended.

Re jurisdiction of the Federal Appeal Board, the amendment drafted by the Sub-committee regarding this was adopted.

The Committee adjourned at 1.30 o'clock p.m., to meet again to-morrow, Friday, July 11, at 11 o'clock a.m.

J. P. DOYLE,
Acting Clerk of the Committee.

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COMMITTEE ROOM 424,

FRIDAY, July 11, 1924.

The Committee met at 11 o'clock a.m., Mr. Jean J. Denis, the Chairman, presiding.

Other Members present were:—Messrs. Arthurs, Black, Caldwell, Humphrey, Knox, Robinson, Speakman, and Wallace.—9.

In attendance:—Mr. J. A. W. Paton, Secretary, Board of Pension Commissioners, Col. N. F. Parkinson, Deputy Minister, D.S.C.R., Mr. E. H. Scammel, Assist. Deputy Minister, D.S.C.R.

Mr. Humphrey requested that consideration of his motion regarding the Board of Pension Commissioners be deferred until Tuesday. The Chairman assured him it would not be dealt with before Tuesday.

The Chairman read the proposed second report of the Committee and same was discussed and amended.

It was moved by Mr. Arthurs, seconded by Mr. Wallace—

“That the Report as read be adopted.”

Adopted unanimously.

The Committee adjourned at 1 o'clock p.m., to meet again Monday, July 14th, at 11 o'clock, a.m.

J. P. DOYLE,

Acting Clerk of the Committee.

COMMITTEE ROOM 424.

MONDAY, July 14, 1924.

The Committee met at 11 o'clock a.m., Mr. Jean J. Denis, the Chairman, presiding.

Other Members present were:—Messrs. Brown, Caldwell, Clark, Humphrey, Knox, Robichaud, Sinclair (Oxford), Shaw, and Speakman.—10.

In attendance:—Mr. S. Maber, Acting Chairman Soldier Settlement Board.

Mr. Maber was called, sworn, and examined, regarding the respective advantages and cost of the propositions submitted by Mr. Shaw, and Mr. Speakman.

The witness also gave figures showing the existing financial situation under the Soldier Settlement Act.

The Committee adjourned at 1.30 o'clock p.m. to meet again at 8.00 o'clock this evening.

J. P. DOYLE,

Acting Clerk of the Committee.

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COMMITTEE ROOM 429,

MONDAY, 8 o'clock, p.m., July 14, 1924.

The Committee met at 8 o'clock p.m., Mr. Jean J. Denis, the Chairman, presiding.

Other Members present were:—Messrs. Black (Yukon), Brown, Caldwell, Clark, Hudson, Humphrey, Knox, Ross (Kingston), Shaw, Speakman, and Wallace.—12.

In attendance:—Mr. S. Maber, Acting Chairman, Soldier Settlement Board.

Mr. Speakman, after consultation with Mr. Shaw, outlined a plan combining the two propositions.

Mr. Maber was recalled and questioned.

Moved by Mr. Humphrey, seconded by Mr. Caldwell:

"That the plan outlined by Mr. Speakman be accepted, and that a Sub-committee consisting of the Chairman, Mr. Shaw, and Mr. Speakman, be appointed to draft the recommendation."

Adopted.

The Sub-committee immediately drafted the recommendation.

Moved by Mr. Caldwell, seconded by Mr. Knox,

"That the Government take under its serious consideration the payment by the Government of School Taxes on Salvaged lands belonging to the Soldier Settlement Board."

Adopted.

Consideration of Mr. Humphrey's resolution was deferred until next meeting.

The Committee after considering and adopting their Third, Fourth, and Fifth Reports adjourned at 11.30 o'clock p.m., to meet again at 11.30 a.m., Tuesday, July 15, 1924.

J. P. DOYLE,

Acting Clerk of the Committee.

COMMITTEE ROOM 424,

TUESDAY, July 15th, 1924.

The Committee met, in camera, at 11.30 o'clock a.m., Mr. Jean J. Denis, the Chairman, presiding.

Other Members present were:—Messrs. Brown, Caldwell, Clark, Humphrey, Knox, Raymond, Robinson, Robichaud, Ross (Kingston), Sinclair (Oxford), Shaw, Speakman and Wallace.—14.

Mr. Humphrey moved,—

"That in view of the representations and information presented to this Committee, this Committee recommends that a report be submitted to the House recommending that the Commissioners constituting the Board of Pension Commissioners for Canada be removed from office."

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Mr. Arthurs moved in amendment thereto,—

“That all the words after the word ‘that’ in the main motion be struck out and the following substituted therefor,”—

“evidence has been produced before this Committee that there is general dissatisfaction among returned men and pensioners with certain decisions made by the Board of Pension Commissioners, and to the effect that sympathetic consideration has not been given to the applicants for relief.”

Mr. Speakman moved,—

“That the proposed amendment be amended by substituting the following words in lieu of all the words contained in the said proposed amendment,”—

“In view of the widespread dissatisfaction amongst returned men and others, and the representations made in regard to the attitude shown by the present Board of Pension Commissioners, your Committee has taken evidence, and, having considered the matter very carefully, has come to the following conclusions.”

“That the interests of the returned men will be better safeguarded, and the intent of Parliament will be better carried into effect, by a more sympathetic interpretation of the Pensions Act and its various schedules, and that this can be best carried out by the reorganization of the Board of Pension Commissioners and the medical service attached thereto.”

“And we therefore recommend to Parliament that the Government be asked to take the necessary steps to carry this resolution into effect.”

The question being put on the amendment to the amendment it was agreed to. (On division.)

The question being put on the amendment as amended, it was agreed to.

The question being put on the motion as so amended, it was agreed to.

Ordered:—“That the said Resolution as amended be adopted as the Fifth Report of the Committee, and be presented to the House as such.

The Committee adjourned at 1.30 o'clock, p.m.

J. P. DOYLE,
Acting Clerk of the Committee.

MINUTES OF EVIDENCE

SUMMARY OF ADDRESS MADE TO ORGANIZATION MEETING OF
PARLIAMENTARY COMMITTEE ON PENSIONS AND RE-ESTABLISHMENT,
MAY 2, 1924, BY MR. JEAN J. DENIS, M.P., AFTER
BEING ELECTED CHAIRMAN.

GENTLEMEN,—My first words to you, upon being elected Chairman of this Committee, must be words of thanks for the very high honour you have conferred upon me and also the confidence you have placed in me.

However, it is not without a sentiment of diffidence that I am accepting the Chairmanship of this Committee. Indeed, although I am thankful to you for your generosity towards me, I do not know whether it is a gift that I am receiving at your hands or a burden which I am assuming to carry. It is a gift, indeed, if I consider the confidence which you are placing in me, the very important work which, together, we will be called upon to accomplish and the opportunity which shall be given me to recognize the services rendered to all of us by the returned men. It is a burden if I consider the amount of work which will, of necessity, devolve upon me by reason of my being Chairman of this Committee. At all events, I may assure you that in the fulfillment of this new duty I shall give all the attention, care and steadfastness of which I am capable.

There are several Acts of Parliament relating to the Returned Soldiers: we have the act known as "The Pension Act," "The Soldier Settlement Act," and the "The Returned Soldiers' Insurance Act." We have also "The Department of Soldiers' Civil Re-establishment Act." All of these Acts were passed about the time of the conclusion of the Great War to help and assist the returned men. All of these Acts are important. They have been amended practically every year—each of them. Doubtless you will be called upon in the course of the present Session of Parliament to recommend new amendments to these Acts.

I need not tell you what the object of this Committee is; this you know as well as I do. This Committee is simply a body organized to look into the different questions which are presented to us, study these questions, study the proposed improvements to the laws now existing, express an opinion of these laws and upon the proposed amendments, prepare these amendments as they should be prepared in the opinion of the Committee and report to Parliament.

In the course of our labours we have two things to consider; one is the needs and the rights of the Returned Soldiers, the other is the resources of the country and its capacity to meet these needs. Of the needs and the rights of the returned men I could not speak too emphatically. Not only are the men deserving of our admiration, but they have acquired rights which we must make it our duty to meet in the fullest possible way.

We read in ancient history that the fate of two great nations was once decided, by consent of both nations, by the combat of three warriors representing each side. I am referring to the battle between Horatii and the Curiatii. It was in the early days of Rome, when that city was at war with Alba. The two armies were facing one another. In order to avoid the massacre which would surely ensue if the two armies were allowed to clash, the Romans, on the one side, and the Albans, on the other, agreed that the battle would be fought by three brothers, the Horatii on the side of the Romans and Curiatii on the side of the Albans. The battle was so fought by three men on each side and victory favoured the Romans. The two armies did not clash and the decision was accepted as representing a victory by the Romans over the Albans.

Let us suppose now that in the Great War, something similar would have occurred, and Canada, instead of being represented by hundreds of thousands of men, would have been represented by one man. And let us suppose further that the result would have been the same, namely, that our soldier would have returned to Canada victorious. I ask this Committee what would have been the reward offered by Canada to the soldier who would have fought and won her battle? No prize nor gift would have been thought too great to offer our victorious soldier. No honour would have been too high, no treasure too precious. Such are the sentiments, I am sure, of all the members of this Committee as well as of Parliament and of the whole Nation.

But, instead of having to reward one victorious soldier, this country has had to reward hundreds of thousands, and on that account the reward was not and could not be all that we would have wished it to be. Canada, impoverished by a long struggle, having seen her public debt increased eight to ten fold, has done the best she could for her returned men, and is still willing and proud to continue doing in the future the best she possibly can for her returned men.

These are my sentiments and those of the members of this Committee as well, I am quite sure.

SUMMARY OF ADDRESS MADE TO ORGANIZATION MEETING OF PARLIAMENTARY COMMITTEE ON PENSIONS AND RE-ESTABLISHMENT ON MAY 2, BY THE HONOURABLE H. S. BELAND.

Mr. CHAIRMAN, in addressing your Committee I am anxious in the first place to make clear the fact that my remarks are not in any way to be considered as instructions. I am very anxious that the Committee should, as in the past, give careful consideration to the various phases of the subject before them and to arrive at their conclusions after close investigation into the various matters based on evidence that they receive. I would not desire either at this stage or at any other time, to influence the decisions of your Committee in any way. I am making these comments to you simply for the purpose of laying before you my own opinion on the various matters which will be available for your consideration in the same degree as any other evidence you may receive.

As regards the work of your Committee, you are aware of course that the Ralston Royal Commission which was appointed at the close of the session of 1922, and which has gone into the whole matter of soldiers' re-establishment, pension, and land settlement, very fully, and has visited in this connection and received evidence in every large centre in Canada, has not yet submitted its final report and recommendations. It is my impression that while evidence was presented to the Commission on the question of land settlement, it will not be as fully dealt with as other phases, and that your Committee should in the first instance consider the question of land settlement, particularly in view of the urgency of the situation brought about by rapid changes in land and other values. Very insistent demands have been made by the ex-soldiers who have taken up the land settlement scheme, for a re-valuation of their land, stock, and equipment, based on the changes met with in the values of these items in the past few years. It is my opinion, as I have indicated, that your Committee should first deal with this phase of the subject, which is no doubt covered in the reference made to you under the general heading of Re-establishment.

When the Ralston Commission Report is received, I will make an immediate motion in the House that it should be referred to your Committee for consideration and report as to the Government action that should be taken to give the necessary effect to such recommendations and which in the opinion of your Committee should be dealt with. This may involve changes in the present legislation either in pension or soldiers' re-establishment, or in both.

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I would refer you to a change made in the Pension Act last year as a result of an amendment proposed to the Act, in the Senate. This amendment is known as the "Meritorious Clause." It was supposed to provide that certain cases could be dealt with on the joint action of the Board of Pension Commissioners and the Federal Appeal Board. One of your members, I think it was Gen. Clark, last year, in the House mentioned the inability of these bodies to take action under the clause as was evidently intended. He stated that in his opinion the wording of the clause was such as to make it impossible for these bodies to act. At the same time I replied that in my opinion the necessary power was there. I find now that I was mistaken. The Pension Board and the Appeal Board have jointly reported that after legal advice it is their opinion that the clause does not provide the necessary power for them to act. I am now in agreement with them in this opinion, and feel that this clause in particular should be referred to you for consideration and such revision as you may deem advisable.

May I say in conclusion that while the calling of such witnesses as you may require, and the receiving of such evidence as you consider necessary is in your own hands, the investigation made by the Ralston Commission during the past two years has been very complete. They have, as indicated, held sittings in practically every large centre in Canada and heard evidence from the various ex-soldier bodies, and in my opinion, it will not be necessary for your Committee to receive as much evidence on the various phases of the work as has been the practice in past committees dealing with this matter. Further, as you are aware, it is the general desire of the Government and of the House to prorogue some time towards the first of July. In my opinion, your report should be ready for submission in about four or five weeks' time, so that the contents of same may be given full consideration by the House without unduly hastening the procedure.

At the close of the Honourable Minister's address Mr. Caldwell expressed the opinion that the work which was done last year in the improvement of the Pension Act had been, to some extent, nullified by the Senate.

Mr. Carroll stated that there was an impression that the Pension Act had been changed in the Department after it passed the House of Commons. This, Dr. Béland denied. He had heard such a rumor, but it was not so. As a matter of fact there had been a verbal change which did not in any way affect the Bill, but this was all.

COMMITTEE ROOM 435,
HOUSE OF COMMONS,
THURSDAY, May 8, 1924.

The Special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers informally met at 4 o'clock p.m., the Chairman, Mr. Denis, presiding. Members of the Committee and of the House were present to receive a deputation of the Amputations Association, who are now holding their Convention in Ottawa.

The CHAIRMAN: Ladies and Gentlemen,—It is a very agreeable duty for me indeed to receive, together with the Committee, the members of the Amputations Associations who are now visiting Ottawa.

This morning I met Mr. Speakman, who is a member of our Committee, and who is known to be most assiduously devoted to the cause of the returned men. I knew that this organization was visiting Ottawa now, but I had not had the opportunity of meeting them. Mr. Speakman told me this morning that we would have the privilege this afternoon of meeting the Amputations' Association's representatives who are here now, and immediately I expressed to Mr. Speakman my very great pleasure in learning that the Committee would have this opportunity of meeting these representatives. I immediately sent a personal letter to all the members of the Committee inviting them to be here at four o'clock, and I wish to thank the members of the Committee who have responded so generously and in such numbers to my invitation. They have come here to meet representatives of the returned men, and they deserve to be congratulated.

This morning, upon reading the newspapers, I came across a paragraph which I think I shall read to the Committee as part of my opening remarks. This appears in the *Ottawa Citizen* of this morning and has reference to the parade of yesterday, reading as follows:—

“There has seldom been seen a more thrilling spectacle of a finer illustration of the sacrifices of patriotism than that when they marched in fours along Wellington street and up to the Centre Block to the Parliament House led by the men with crutches and artificial limbs in the front ranks. Men stood and watched the Veterans go by, and as they did so had to swallow lumps in their throats or force back tears from their eyes.”

I think, ladies and gentlemen, that description depicts very, very well our feelings towards the returned men, and more particularly toward those who have been afflicted with infirmities. Whoever we are, to whatever political party we belong, whatever might be our creed, there is one thing which bears very strongly upon every one of us, and it is this: that the returned men must be looked upon as heroes and as men to whom this country is indebted to a degree that it will never be able to repay. Therefore, welcome do I say to the representatives of the returned men who are here now. I wish to welcome you in this building, which is your building, and to this Parliament, which is your Parliament, and I will say further that only for your efforts and sacrifices this magnificent pile on Parliament Hill, the pride of the nation, might never have been built.

Now, I will not take up the time of the Committee any longer but I will say to you men who are here now, don't tell us what you are here for; we don't want to know. You are here to visit us and we are glad and happy and proud to receive you, and you are welcome. Perhaps you are here to express some

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needs, but those you should not be obliged to express; we should know in advance what your needs are; what you require, and not wait until we are asked to meet your wishes. Such are my own feelings and sentiments towards you, and I know that in so speaking I am only translating the feelings and sentiments of this Committee.

We have among us Mr. Myers, the representative of the Dominion Executive of the Amputations Association of Canada, and I will ask him to address you.

Mr. R. MYERS: Mr. Chairman, ladies and gentlemen, I must express the appreciation first of all of the Association, which I am honoured at this moment to represent, for the many kind words of your Chairman. It is an inspiration to us to hear you speak that way, and I knew as I sat here that you are sincere in this. Now, we decided some years ago to hold a convention in Ottawa about this time. In Vancouver we were having a convention, and following the report of the last Parliamentary Committee we found that legislation had been introduced which was dealing with the question of pensions, and the continuance of the bonus. We felt at the time that we ought to get, in some manner, an expression of opinion from the public of this country as to what their attitude would be in Parliament's desire to deal with the returned soldier, so we laid plans for a campaign which we called a Publicity Campaign. We are merely a small organization representing men who have lost a limb or limbs or complete eyesight, and we felt that in any request that we should make, any definite request that we should make of the Parliament of Canada, we should be sure as to our ground. So we inaugurated a Publicity Campaign. We raised the funds for this campaign from our own ranks. We went to ourselves and each of us in a small way contributed for the purpose of carrying on this campaign. Now, down in Toronto, by the fact that our headquarters were there, we had to carry the campaign on from there, but we came to the decision that we would not dictate the policy of the different parts of Canada, because whatever decision we arrived at we wanted it to be representative of the entire country, and rather than give them any particular lead we felt that it would be fairer to everybody to allow them to go their own course, but along certain lines.

It had been suggested to us that we carry on a national campaign of large magnitude, and in fact there were people who were ready to underwrite a campaign for a very large amount of money, but we decided after feeling out opinion that this would not be a wise course, inasmuch as we felt that there was enough chaos and so much getting back to normal after the war that it would not do at all to arouse public sentiment or opinion as far as we were concerned; we felt that it was our duty as returned soldiers to try in some way to make a settlement with the country. We figured that to be our duty; we felt that the public of this country wanted to know exactly where they were going to get off in this matter so to find out exactly where we stood we carried on a campaign of publicity in our own individual way, by letter and by representation. We have approached hundreds of public bodies throughout this country; we have circularized every municipality in this country; as you know we circularized every member of Parliament; we approached church and social organizations; we approached national organizations and let me say that in not one single instance were our requests refused at all. Our requests were simply these, and we are here for one purpose only, just one. We have come to the decision that we would be satisfied—that if the present rate of pension at \$600 per annum for a totally disabled man, plus a bonus of \$300 making \$900, were made the permanent minimum basic award I venture to express the opinion, ladies and gentlemen, that should this meet with your approval, and should you decide in our favour, as far as the disabled men of this country are concerned, they would be satisfied.

Now, you say "On what grounds do you want this \$900?" and I merely turn to you and say, "On the ground of future security." Look here: I understand that this is an informal talk. I have not come here prepared to say anything very much; in fact in approaching Mr. Speakman this morning, who graciously lent his aid to us in this matter, and your committee who have so kindly given us this time this afternoon, I asked him as a matter of advice, I said, "What do you think would be the best move we could make at the moment to bring this matter to a conclusion?" and he suggested that we might meet the members of the Parliamentary Committee because, at first, I should have said that yesterday we had been honoured by a visit from the Honourable Minister of Soldiers' Civil Re-establishment, who was so kind to us and so gracious and so fine. He made to us a very wide statement. He said that there was no doubt at all as to the continuation of the bonus, and he said upon the finding of the Ralston Report - that report would be in turn handed over to your committee, and afterwards your committee would deal with this question of this bonus, and he said in conclusion, "Let me express the hope that the committee will report favourably"—that is, that they will include the bonus as a part of the permanent pension. We appreciated that immensely, but we saw and felt that perhaps if we were to let go this opportunity at this time we would not be doing altogether the right thing, and after digesting his remarks we decided that we should make some further effort, and to-morrow we meet the Cabinet, and we are going to place before them our case.

Now, we have sounded out public opinion. Hundreds of resolutions have been passed. Labour organizations are behind us; we had resolution one only the other day from 20,000 men. A resolution came in this morning from one of the large social organizations, fraternal organizations of this country. The Navy League at a meeting here yesterday graciously passed a resolution supporting us, so we have found that public opinion is practically unanimous as to our request. You might turn around and say "Well, this is a question of finance," but we are not asking you to spend one single dollar more than you are already spending. Now, the fact remains that up to the present time, in sounding out opinion, we knew that there was a request being made by resolution that there should be \$1 for every percent of disability, which would make the pension \$1,200 a year. We, as disabled men, come to the conclusion that we would be entirely satisfied if our security were promised for the future, and that we would be entirely satisfied with \$900.

Now, let me tell you a little story, just this. In gathering together in Ottawa, we did not know whether we were doing altogether the right thing in bringing these men here. Still, we wanted to do the right thing; our motives were sincere and honest. I was coming down on the train from Toronto the other night, and I could not help but notice these men as I went through the train, and I saw fully 70 men who had lost limbs or a limb, as the case may have been, sitting up all night coming to Ottawa. Why? Because every one of them was making a sacrifice. They were coming here because they were anxious, and we are asking you at the moment that if you consider our request an excessive request, that you should tell us. If you think that we are wrong, you should tell us, because we are tired of this agitation. We want to retire to our Club House—we have very fine quarters in Toronto—and take things easy. Believe me, it is not an easy task for a disabled man to be continually fighting for these things. It does seem to me strange that returned soldiers should have to come back to this country—I am merely giving you a personal impression—it does seem to me strange that we disabled men should have to be actually asking at this moment for compensation to recompense us for the loss of earning power. It does not seem to me right. I know that is the general feeling in our organization, and I think, Mr. Chairman, and gentlemen, that you should give us at the present time some assurance. Perhaps you will say "We cannot give

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you definite assurance at the moment; that is out of the question," but you must remember that it is five years now since the war ended, and our disabilities are permanent things. The disability that we have is a disability that stays with us every hour of the twenty-four hours each day. I am telling you of our own experience and that is our experience. Much is said about a working-hour day, but God knows, during the other sixteen hours, or whatever the case may be, how little can we do in our home lives, and how wrong it is for our wives to have to do things we ought to be able to do. We have come to the conclusion that it is about time that we settled down and got away from these things. We must stabilize things; we have to get somewhere. Remember that many of us were discharged from the army at the peak of high prices. As all of you are aware, the housing situation in this country was so serious at a time that many of us undertook obligations of a nature that meant we had to assume first mortgages, paying a little money down out of our gratuities, and give back a second mortgage on the properties; and we had to carry these obligations. If we were to turn around and say that we repudiated these obligations, what kind of people would you say we were? Surely, having assumed obligations of a nature that is of tremendous importance to the national life of this country, we are entitled to say that the least the country can do for us is to say, "Men, don't worry so far as your pension of \$900 is concerned." We recognize that in taking the pension of \$900, that does not altogether deal with all the men, because all the men are not 100 per cent disabled. Many of our men are but partially disabled, and therefore they receive but a proportionate amount of \$900. Now, when you come to divide that amount of money into weekly amounts you will see how insignificant and small the amounts are. There are many men in this country to-day who are getting a 50 or 60 per cent pension, and who are practically depending on their pension for their livelihood because the loss of their earning power is perhaps 100 per cent. It is not a very easy thing to talk about, and, Mr. Chairman, ladies and gentlemen, I thank you very much on behalf of our organization for the courtesy you have extended to me. I would like you to ask me questions if you think they would help you in this matter. We have present with us, Comrade Lyons, who is a blinded soldier, and we have other disabilities here who would be willing to tell you anything you desire. I can assure you they will tell you the truth. What I would like you to do, if you can, is to tell us how far we can go and give us your opinion as to whether we are right or wrong about this matter. Is our request an excessive request? If it is an excessive request, tell us now that it is excessive, and if that is the case, we will have to come down; but do not keep us in a state of uncertainty.

The CHAIRMAN: Ladies and gentlemen, before any questions are asked, I would like Mr. Dobbs to address the Committee.

Mr. W. S. DOBBS: Mr. Chairman, ladies and gentlemen, this is the fourth time that I have had the honour of appearing before a Parliamentary Committee, and I appreciate the honour very much. As Mr. Myers has pretty well covered the ground, I will not detain you very long with my remarks. We are asking that the pension of \$600, plus the \$300 bonus, be made a permanent basic minimum award, not only on behalf of the Amputation Association, but on behalf of 43,000 odd pensioners. We are also asking that the widow's pension of \$60 per month, of which \$20 a month is bonus, be made a permanent basic minimum award for the widow. A pension of \$900 a year, worked out, represents something like \$17 a week. If the bonus is cut off, it amount to one-third, in a total disability case—and we have some 112 in the Amputation Association who are total disability cases and who are receiving from \$12 to \$17 a week, and no matter how the cost of living comes down—that is the argument that has been used on one or two occasions—no matter how the cost of living comes down it must be admitted that \$12 a week is hardly a living wage for a man

like Comrade Christian, who, however, gets an attendance allowance, but who has both legs off. There are types of disability who are unable to do any kind of work. I admit that we have disability cases whose mental condition and temperament are such that they are not happy unless they are doing something, and they are doing fairly good work in spite of their physical disability. We are asking for this on account of the fact that amputation cases, particularly, have higher living costs. They must live closer to lines of transportation. They have higher living costs in that they must hire help to do certain labour in the house that a fit man can do himself, such as moving out the ashes in the winter, shovelling snow, cutting the grass on the lawn in the summer, and thinks like these. That, gentlemen, is our argument. We feel that we have your warmest sympathy; we feel that we have formed very warm friendships here, and we are content to rest our case in your hands.

The CHAIRMAN: I wish to present to you now Miss Jaffray, a disabled lady; the only lady member of the Amputations Association.

MISS JAFFRAY: Mr. Chairman, Miss Macphail and members of the Committee: I did not expect to be asked to say a few words, but now that I am on my feet, I am not going to speak for the Amputation cases; I am going to speak about other cases that I periodically have the privilege of coming in contact with. I have been a Social Service worker at Christie Street Chest Clinic, where I have had the privilege of working with a specialist who periodically reviews the tubercular cases of the Province of Ontario and of the Dominion of Canada. Yearly, we have between 4,000 and 5,000 cases passing before us, some partially disabled and others capable of doing a half a day or two or three hours' work of a light nature. I see the men come in who look all right at one time, and perhaps they come in two or three months later looking like death. I read every medical report that goes through the Chest Clinic, every final report on every case, and mind you it is mighty interesting to note the remarks and rules and regulations laid down by men who know their work and know what the returned soldier needs, and how he needs to be re-established.

The question of the permanent bonus pension is not only for amputation cases, but for all those men who are incapable of remunerative work. Nine hundred dollars for a totally disabled man and three hundred and sixty-five days in a year, I ask you, in times like these how are some of those cases to exist comfortably? Were it not for some of our kindred organizations like the Red Cross and others who come to the rescue and give added assistance for milk and clothing in some of the cases where the pension is not adequate, I do not know how the men themselves or their families could carry on. Many times it has been a question in my mind in dealing with tubercular cases, particularly, if only an adequate pension were given a man and his family to tide them over the time when they might need absolute rest, and the very best of food and comfortable dwellings, how much better it would be for this Government to tide them over, say, for three to five years, on full pension, a total disability pension, than to carry them along on a smaller pension. What is the result? I can tell you. Two or three or four years afterwards the report will read: "Classification: unimproved. Totally incapable of remunerative work." That is the situation.

I want to tell you about a man who has come down to Ottawa, and I am so proud of him. He is a member of our own organization. Five months ago in January he came into the Chest Clinic, an amputation, a high one, a leg amputation almost up to here (hip), for an examination of his chest condition. The man looked like death, and he was on crutches. I read the final report of course. He is not tubercular, but he is a T.B. suspect. I asked him how long he had his amputation, recognizing that he did not carry on his coat lapel one of these badges. I said "How long have you been an amputation case?" "Two weeks, sister." I said "I thought so. Are you a member of the organization?" "No,

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but the President will propose me at the next meeting." He was proposed and accepted a week ago to-morrow morning and he turned up at the Chest Clinic for a re-examination walking with a cane across the floor. I said, "When did you get your leg?" "Yesterday, sister." "Well, I said, "Do you think you are not going at it rather strenuously for the second day," knowing as I did what a sore stump means. He said, "No, I have got an awfully good stump, you know," and under my breath I said, "I guess you have got just as good grit." He is one of the boys who marched up to-day from the Chateau Laurier to the House to place a wreath on Colonel Baker's memorial, and he walked up without a cane in front of me, one week on an artificial limb. He had lain for a number of years on a hospital cot until finally the doctors told him that re-amputation must be performed. He kept his leg until he could not possibly keep it any longer, and now that he has a new one he is doing his very utmost, but the spirit that made him not want to come to Ottawa on crutches is the spirit that "caught me."

The CHAIRMAN: We have with us Mr. Lyons, a blinded man from whom we would be very glad to hear, I am sure.

Mr. LYONS: Mr. Chairman, ladies and gentlemen. I feel that there is nothing I could say which would help us, after listening to the propositions put forward by the previous speakers.

I am here as a representative of the men who have suffered total loss of vision owing to participation in the recent Great War. The problems confronting the men who have lost their sight are great. I do not think if I were to step up here to-day and ask for preferential treatment that I would be establishing a precedent inasmuch as the Canadian Government established that precedent in favour of the blinded soldiers by opening an office in this city some four or five years ago under the care of one of the blinded soldiers, Captain Baker, whose office was on Victoria Street. I would ask you to consider from every angle the propositions put forward by Miss Jaffray, and my comrades Myers and Dobbs. I would ask you to look at it from our viewpoint. We are not asking for anything to which we are not entitled. We come down here asking that the present bonus of \$600, plus the high cost of living bonus of \$300 be made permanent. I would point out to the members of this Committee that although the high cost of living may come down we have nothing at the present time to suggest that it will, but if it should come down in the future, I wish to point out that the high cost of being a blinded soldier will never come down. The fact that we have lost our sight is something we will have to pay for for the rest of our lives. We are not suffering any eight hour a day disability. It is going on from day to day, from week to week, from month to month, and from year to year and will be with us to the day we die, and as I said I hope the Committee will give their serious consideration to these proposals. We are not asking you for something that is impracticable, not asking you to increase your expenditures one cent; we are asking you to make permanent what you are paying to us to-day as total disability cases, that the present pension of \$600 plus the high cost of living bonus be made permanent. I thank you on behalf of the members of our association who are suffering from total loss of vision.

The CHAIRMAN: I would ask Mr. Lambert, President of the Dominion Amputations Association to speak.

Mr. LAMBERT: Mr. Chairman, ladies and gentlemen: I am a busy man in the organization and have been sitting in the chair these days guiding the deliberations and I am almost at the end of my rope physically. I am glad to let my understudies place these matters before you, because we have some brilliant people with us, men who are not only good fighters, but good thinkers, and to hear them deliberate on these great questions, and to sit still and listen

and guide them is very, very interesting. I like to look on them as good citizens of Canada. We are not just interested spectators in the welfare of this great country; we are citizens of this great country and I believe that I may say we are the more worthy citizens of this country because of our willingness to hazard our lives for it, and on this great national ground I appeal to you to make their compensation secure. It is not fair for us to be anxious; it is not fair to the women and children who are under our care to be anxious about the future. In our anxiety we may lose something of the spirit which made us the men that we were as citizens, and I think the little children may not have just the opportunity that they might have had had their daddies not gone to the war. I appeal to you on behalf of the great patriotic public spirit in citizens of this country that we may continue to develop our own lives towards a high standard of great character and citizenship, that we may have the opportunity which should be securely ours to assist our wives and our families to co-operate, and to sustain that noble spirit which enabled us to get the spirit of the great task of war, and which I submit to you for your thoughts to-day, is the most dependable spirit for citizenship in this country to which you belong.

I have very great pleasure in thanking you for your courtesy in inviting us here to-day. We have come to you gladly; we have come and faced you without a twinkle in our eyes; we have come to look straight from the shoulder and straight from the eyes, into the faces of those who sent us to the front, and we come back to you and ask you for fair, reasonable and right compensation for the services and the sacrifices that have been made. I thank you.

The CHAIRMAN: Now, Mr. Myers, in addressing the committee, invited questions. It is in the hands of the committee to say now whether we should proceed any further, or if the committee is satisfied with what we have heard so far. If you would like to ask questions of Mr. Myers, I am sure he would be glad to answer them.

Mr. CALDWELL: I remember, Mr. Myers and some of these gentlemen being before our committee on several occasions before. There is one point you did not bring up that I think probably you should have, and that is the fact that the amputation cases are more expensive in regard to clothing than the others, especially in regard to the gear you have to wear.

Mr. MYERS: Yes. I can answer that question, sir, because we gave evidence some time ago to the Ralston Commission. They were very good to us; they gave us every opportunity; gave us unlimited scope; they let us hang ourselves, if you like; they let us go the limit; I do not know what their findings are, but we presented to them our entire programme. I understand that the Ralston Commission is shortly to report, and I hope there will be some reference in their report to us. The fact is that at the moment we are willing, if it comes down to the final point, to sacrifice everything that we have for the rest of the disabled men in this country, if you men will turn around and say, "Here, don't worry; you shall have your pension permanently." We will sacrifice whatever they recommend in that regard, and be only too glad to do so.

Mr. DOBBS: Mr. Chairman, I might answer that question. We sent out a circular to every amputation case asking him to state what, in his opinion, would be the extra cost of the wear and tear on clothing. I happen to be the President of the Toronto Branch, and we got replies from some 400 men there. The average of the replies, throwing out the extravagant ones, and averaging up the reasonable, worked out to somewhere between \$55 and \$60 a year for leg amputations, and to about \$22 to \$24 a year for an arm amputation, who wears the arm.

Mr. CALDWELL: Extra expense?

Mr. DOBBS: Yes, the extra pair of trousers and the extra reinforcing, the extra shirts and so on. I believe Calgary got practically about the same result;

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there was a dollar or two of a difference, and Vancouver was about the same. It amounted to practically \$60 a year.

Mr. CALDWELL: I would like to ask Miss Jaffray in regard to tubercular cases. I think the reference was that some of the soldiers had not been treated quite right, or something of the kind.

Miss JAFFRAY: I think, in many cases to-day of active tuberculosis, if pressure were brought to bear and reports followed up, there would be many cases actually attributed to service in France. It is the most pathetic side of all my work, to come across the report of a man who first appears at the clinic for a chest examination, only to find out that he is an active case. In cases like that we get right after them from the social service standpoint, and link the thing up, if we can, with the assistance of our chest doctors and the Eligibility Board, with the man's service. It is difficult in many cases, and many cases are not covered and those cases are, of course, civilian cases. As you know, the period allowed after discharge is, I think, a year. Some of the cases have been taken on that have broken down after one or two years, but they are only very few.

Mr. HUMPHREY: May I ask if you have come in contact with many different opinions as to attributability? Could you give a percentage?

Miss JAFFRAY: I would not like to give any percentage; in fact I could not, but I think you could secure the statistics from our doctor, Dr. A. W. C. Caulfield. Our doctors are very sympathetic towards those cases, and actually know the conditions. We may be disabled, but I think to be without your lungs or your eyesight is the worst thing that could happen.

Mr. HUMPHREY: May I also ask the officers if, in their association, they have very much difficulty in the adjustment or readjustment of their pensions cases, in any way? Do you carry on a branch of that nature?

Mr. MYERS: I must say that we have always received the fairest treatment from the Commissioners. There have been cases where the assessment has been wrong and while I believe myself that the assessment and the method of assessment is not altogether fair to the man to-day, I venture to say that in any cases that we knew were really dependable cases in any way at all, we always got a square deal from the Commissioners, always.

Mr. KNOX: When you use the word "assessment," do you mean the assessment of the disability?

Mr. MYERS: Yes, what I meant is this: A man is assessed at his value in the labour market. At least in this country we arrive at his disability in accordance with his ability in the labour market. Now, that is a very debatable matter, the labour market. A man would be 100 per cent disabled who had lost two limbs above the knee, or two arms. A man with one arm would be a partially disabled man. Now, what we complain of in that connection is, that in going through the scale of awards that are made in this country we find that in most cases—there is an exception, but in most cases, our rate of assessment is lower than in other countries. For instance, I might cite to you the case of a man who has a leg off below the knee. Every country in the world except Canada gives that man 50 per cent disability. In this country, we give him 40 per cent. Now, it may be said that we have a sliding scale for that. If the amputation comes within four inches of the knee, he gets from 45 per cent up to 60 per cent, but there are few men, very few men, who get the benefit of that. There is the case of the left arm amputation in this country. It is higher than in Great Britain, for instance. But take the case of the man with two legs off, one above the knee and the other below the knee. In this country, they figure him to be a 90 per cent disabled man. However they figure him to be a 10 per cent fit man I do not know. Through no stretch of imagination have I

been able to figure that out, and I have studied this question of percentage of disability perhaps as much as any individual man in this country, and I know that our assessment commissioners—whoever they may be I do not know—are wrong about that. They should get down to it and give the man a more generous assessment on the ratio of disability; there is no question about that. But we are not pressing that at the moment because—I will tell you candidly—we are willing to sacrifice that request, whether just or unjust, so that we may get this other matter. Examine into the method that the United States uses for the percentage of disability and assessment, examine into the method that France uses, take all the principal cases and you will see that they have some variation. Now, the fact of the matter is that you may ask those men from now until doomsday, and you would not travel very far for they will tell you that there is no set scale that you can arrive at and say that a man is 40 per cent or 45 per cent or 30 per cent disabled; you cannot do it. You have got to go to the man and study him and treat that man's percentage of disability in accordance with the situation that he is facing. Take the case of a man with a leg off, say below the knee; he is treated as 40 per cent disabled. I know men who have legs off below the knee who are working every day but who are actually much greater disabilities. I know one man in particular, a 40 per cent disabled man, who only last week was stumbling around a very much greater disability that week. I venture to say that this week he is much better. There is no dependability as to how a man is going to be from day to day or week to week; none at all. You cannot say that a man is 40 per cent disabled and cut him down to the lowest minimum award. What you need to do is to give a maximum award in all cases of that kind and have an interplay between the minimum and the maximum, giving the benefit to the man.

Mr. SPEAKMAN: Mr. Chairman, may I suggest that this is an informal meeting and that this is not the proper place to ask too many technical questions, or to go into the evidence. We will have an opportunity to go into that later. The purpose of this meeting was to afford the members of the Amputations Executive an opportunity of meeting the members of this Committee. I went to the convention this morning, and I may say that I came away from it with a feeling of pride and also a feeling of humility—pride, because I was given the privilege of wearing this badge, a privilege given probably for the first time to a man who had not been overseas, and humility, because I realized that I had done nothing to deserve it. The purpose of this meeting was not to discuss the question of rates. The suggestion was that the representatives of the Amputations Association should meet the members of the Committee privately in their rooms; but I knew the difficulty of that with a Committee sitting, with members in the House; and I realized that it was practically impossible for them to meet half of them in that way. So we suggested that this meeting be arranged, in which suggestion the Chairman cordially concurred. The purpose was not to discuss the questions at any length but rather to give them an opportunity of meeting the members of the Committee so that they would have some idea of the attitude of the Committee, so that they would know whether they were leaving their affairs in the hands of a sympathetic or an unsympathetic committee. I assure them that they are in the hands of a most sympathetic committee, and I am going to say this, that although I represent a constituency of farmers here who are passing through fairly hard times, there are a great many returned men who are paying taxes in this country as other men are, and I have heard from practically every organization in my part of the country, and I am expressing the views of the organization which I represent when I say now that for my part I am strongly in favour of making that pension and bonus permanent, and I intend to vote that way.

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The CHAIRMAN: Ladies and gentlemen, as the House is now sitting, and we have perhaps infringed upon our privileges in sitting, although in an informal way, while the House is in session, perhaps we had better adjourn this meeting. But before we adjourn I wish to give an explanation to the members of the Committee. It will have been noticed that the Committee has not been called together since it was organized; this is the first meeting. The reason is that we have been expecting from day to day the report of the Ralston Commission, and I think that this Committee cannot very well proceed with its labours until that report of the Ralston Commission has been placed in our hands. That is the reason why the Committee has not been convened. It was convened this afternoon for a special purpose which has been made known to you. In conclusion, I wish to thank very heartily in the name of the Committee Mr. Myers, Mr. Dobbs, Miss Jaffray, Mr. Lyons and Mr. Lambert for the very interesting addresses which they have made.

In my opening remarks I told you that I was sure I was only voicing the sentiments of the Committee in telling you, magnificent men who are here now, representing your brothers, that their demands would be met with a most sympathetic ear. That I repeat. This Committee is only a channel through which demands are made to Parliament. The representatives of your organization are well aware that laws are only passed by Parliament, and this Committee is only a channel through which your demands will be brought to Parliament, but as I, in my position as Chairman, will be called upon to report to Parliament, I can assure you that while you might have found very easily a more eloquent voice than mine, you could hardly find a more sympathetic heart than mine to express your views.

The Committee adjourned.



COMMITTEE ROOM 436

HOUSE OF COMMONS,

WEDNESDAY, May 14, 1924.

The Special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers, met at 11.00 o'clock a.m., the Chairman, Mr. Jean J. Denis, presiding.

The CHAIRMAN: We are here to-day to hear Major Barnett, Chairman of the Soldier Settlement Board. He has come here for two purposes; first to give a general statement of the activities of the Board, and, secondly, a statement in regard to this proposed amendment to the law by which land, stock and so forth might be re-valuated. I suppose I need not go into details about these. You know what is meant by re-valuation. Major Barnett is here to give us an explanation about this proposed change in the law. Before proceeding with that, however, I should like to call upon the Clerk for any communications to be placed before this meeting.

The SECRETARY: Mr. Chairman, I have only two communications which I have laid on the table. One is from Mr. J. Valentine, Secretary, Central Ontario Regional Veterans' Alliance, Toronto, a resolution recommending that the time allowed in which to file an appeal before the Federal Appeal Board, namely to August 4th, 1924, be extended to August 4th, 1925. Another, from Walter I. Fawcett, St. Gregor, Saskatchewan, being a petition recommending a revaluation of live stock, equipment, and land in certain cases; also that payments in kind instead of currency be received. He was referring to wheat in his statement. Also a relaxation of what he terms the "rigid residence clause" to enable a settler to hire a substitute under guarantee that the Board's interests will be fully protected.

The CHAIRMAN: This meeting has been called to inquire into land settlements generally and I suppose it is the intention of the Committee not to examine these petitions now but to look into these matters at a later date.

Mr. ARTHURS: I think it is customary that a sub-committee be appointed to deal with correspondence, giving a synopsis of those necessary to come before the whole Committee.

The CHAIRMAN: A sub-committee will be appointed for that purpose.

I understand that Major Barnett will give evidence on the general workings of the Board and its general activities, and more particularly with regard to re-valuation. Is it the pleasure of the Committee that he begin with a general statement concerning the activities of the Board or shall he begin with the question of re-valuation? While it is not my duty to express an opinion, I will say that it seems to me it would be more logical to begin with a general statement regarding the whole situation and then take up the question of re-valuation.

Mr. SPEAKMAN: I suggest it is more logical to take up the general statement preceding any discussion on a particular point. (Carried.)

Mr. BLACK (Yukon): Before this gentleman begins I would like to remark on this report of the proceedings of this Committee especially as to the report of the proceedings of May 2nd, I notice the inaugural address of the Chairman is printed there and also the address of the Minister. Then I notice the following:—

"At the close of the Hon. Minister's address Mr. Caldwell expressed the opinion that the work which was done last year in the improvement of the Pension Act had been, to some extent, nullified by the Senate.

"Mr. Carroll stated that there was an impression that the Pension Act had been changed in the Department after it had passed the House of Commons. This Dr. Béland denied. He had heard such a rumour, but it was not so. As a matter of fact there had been a verbal change which did not in any way affect the Bill, but this was all".

If the reports of this Committee are going to be a sort of Hansard, and the remarks of members of the Committee reported, I think that the remarks by all members should be reported. I remember making a few short remarks myself, not any more than Mr. Carroll or Mr. Caldwell. I do not think it is fair to confine the reporting to remarks made by supporters of the Government; I do not think it should be a hand-picked report, and the report as published on page 4 of this proceeding is such a report. We should have a complete Hansard if we are going to have any.

The CHAIRMAN: Mr. Black, you are absolutely right. I will give an explanation to the Committee as to what happened at the first sitting. I was elected Chairman at that sitting but I had nothing to do before these proceedings began and it was only during the course of the sitting that we learned that a verbatim report was not being prepared, and I was informed that a ruling had been made by the Speaker by which only evidence should be reported. In my opinion that was a little too rigid, and if that ruling had been strictly followed nothing at all would have been reported at the first meeting, because there was no evidence taken. Hon. Mr. Béland, the Minister, had made a statement which I thought should be printed, and while I had no desire for self-advertising, I thought my remarks of appreciation of the soldiers and their work should be placed on record, so when I found these had not been reported I had the proceedings arranged as best I could by the Clerk of the Committee, but these reports are not verbatim reports. .

Mr. BLACK (Yukon): Don't understand me to object to what you said being printed. That is not my purpose. It was very eloquently spoken and well worthy of printing as was also the statement made by the Minister, but what purports to be a report of what was said afterwards by the members of the Committee is not complete. I do not think it should be there at all, unless it is a complete report. If we are going to do this, let us do it correctly.

The CHAIRMAN: Absolutely. I was coming to that point. There was a summary of what Dr. Béland said which was prepared as well as possible, and the remarks to which Mr. Black objects were prepared by the Clerk of the Committee. I do not wish to waive my responsibility for these being placed in the report, and I will say that a ruling will be given to-day that everything shall be taken down, and I will see the Speaker about it and ask him for a ruling by which full justice will be given to every member of the Committee.

The SECRETARY: Mr. Chairman, I am responsible for the last part of this report to which Mr. Black has referred and if there is anything that has been omitted we could have it inserted in the next day's proceedings; so, if Mr. Black and others who made remarks at the last meeting will give us a copy of what they wish printed it can be included as an errata to the proceedings in question.

Mr. BLACK (Yukon): What I said was not worthy of being printed, as were the remarks of the Chairman and the Minister. What I did say was to agree with Mr. Caldwell that we need not be too pessimistic in regard to the workings under former conditions and that I thought we had accomplished a great deal and that we should not be discouraged as to the result of our work. That was neither here nor there, but if we are going to make a report of such chance remarks, let us make a complete report.

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The CHAIRMAN: That is absolutely true, Mr. Black, and moreover, if you would kindly write down your remarks they will be printed in the next issue, and we will be very glad indeed if you will do that. I have just explained the unfortunate circumstances through which a lot of what was said was left out. Now, I suppose we will proceed with the evidence of Major Barnett. Is it the intention of the Committee that Major Barnett should be sworn? I am informed that it is not always done with the officials of the Board. That is a matter for the Committee to decide.

Mr. SPEAKMAN: I do not think it is necessary, Mr. Chairman.

The CHAIRMAN: On the other hand, we might make it a rule now, that will apply in the future. If officers are to be sworn we might decide it now; if they are not to be sworn, we will follow that course all through, because we cannot swear one official and then not swear another.

Mr. SPEAKMAN: Yes, that is correct; and if we are going to have a standing rule, there might be times when some members might think it was desirable to have a witness sworn, so perhaps we had better have a standing rule.

The CHAIRMAN: My opinion is that it is preferable; therefore, we will swear this witness.

Major JOHN BARNETT called and sworn.

The CHAIRMAN: According to the decision of the Committee, I ask Major Barnett to be so kind as to give us a general statement of the activities of the Board.

Major BARNETT: Mr. Chairman and members of the Committee, two years ago the Committee which investigated soldier affairs including soldiers' settlements, was made up of practically the same gentlemen as make up this present Committee. At the previous sessions we went quite elaborately into the method of procedure of granting loans and the scope of the Act, and matters of that sort. These were printed, and I doubt very much if you wish me to go over all that again. I think that the members of the Committee are familiar, Mr. Chairman, with the provisions of the various Soldier Settlement Acts that have been passed. It was also elaborated very fully, the method of granting loans, how loans were granted and how settlers were established on the land. There is another reason, I think, why that evidence would not be so pertinent to-day as perhaps in previous years; soldiers settlement, so far as the establishment of men on the land is concerned, is practically at an end; so very few new men are being established that that end of the work is a very small part of it. After all, as far as the general settlement is concerned, the principal statement would be concerning the number of men who are on the land, the number of abandonments for one reason or another, and the state of repayments. I take it that these three are the principal subjects of soldier settlement. The number of men that we have established altogether is 23,743; that is, returned soldiers. In addition to that there are 1,074 civilians who are receiving a certain amount of supervision, because they are indebted to the Government. They are indebted to the public, having purchased lands that had been abandoned by soldiers. The 23,743 settlers were established in the various years in the following numbers. This is a new statement that has not been given before, I think, in the previous sittings of other committees. 667 men were established in 1918; 10,153 were established in 1919; 7,719 were established in 1920; 2,333 were established in 1921; 1,355 were established in 1922; 1,153 were established in 1923.

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By Mr. Arthurs:

Q. Is that the fiscal year or the calendar year?—A. That is the fiscal year. In the last two years, of that 1,355 and the 1,153 in 1923, a great many of the men owned their own land; a very small amount of land was purchased in these years. The land being purchased has dwindled very much. I might say that—I am sorry, I am afraid I have made a mistake. Those are calendar years, and not the fiscal years. The amount of money that has been expended, the total amount advanced for land purchased, for stock and equipment, for permanent improvements, for seed, for taxes, for subsistence, and for all matters in connection with advances to settlers, is \$100,425,077.00. The total due by settlers at the end of the past fiscal year is \$87,480,164.00.

By Mr. Arthurs:

Q. You do not want to use the word "due" there?—A. No, it is not due; the total principal owing by settlers. The balances outstanding, with interest, and including advances made from our appropriation, not by us but by the Indian Department to Indian settlers who were returned soldiers are \$90,757,000, and that is including balances on foreclosures, and abandonments as well.

By Mr. Robichaud:

Q. Is that \$9,000,000 or \$90,000,000?—A. \$90,000,000. That is the total. I gave the total indebtedness as \$87,000,000, and the total including the advances to Indians, and all others, the amount standing on the books as the indebtedness of soldier settlers as \$90,000,000.

Q. That is including the Indians?—A. Including the Indians. At the time the Soldiers' Settlement was passed, I might say with reference to the Indian loans, an amendment was made to the Indian Act providing for the establishment of Indians, who come under the Indian Department, and making the money available to them from our appropriation, but we have nothing to do with the administration, nothing to do with the granting of the loans.

Q. What was the total amount of such loans to Indians?—A. \$363,594.

By Mr. Caldwell:

Q. Under the head of administration there is an item of \$7,129.00 for Indian settlers. What fund is that paid out of?—A. That is paid out of our fund, but we simply turn the money over to the Indian Department. They simply ask us from time to time for so much money and we give it to them.

Q. I notice it is charged under another item here in your report.—A. I have not a copy of the report.

Q. This gives, "Cost of Administration \$9,668,000," and so on, to date. Other expenditures under that head, "Cost of Settling Indian Soldiers, \$7,129." A. That, of course, is the cost that the Indian Department has returned to us. We supply the money for their advances, and if any special expenses are incurred, we would supply that out of our appropriation.

By Mr. Caldwell:

Q. Was this \$7,129 supplied out of your appropriation?—A. Yes.

Q. Payment for the Indian Department?—A. Yes.

Q. For administration?—A. Yes. The abandonments, or as we call them, the adjustment cases, because they include deaths and some cases of sales, number 4,463. That is at March 31st last.

By Mr. Arthurs:

Q. Could you subdivide these roughly?—A. I have not that prepared this year. The reason why we did not prepare a statement is that it is only in a very

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few cases that there is to be found a clear and good reason. There are some cases that you can attribute clearly. Of course, in the death cases, you know the reason for them; but in the cases of actual out and out failures, it may be a combination of the land and the man, a disaster of some sort, or a variety of reasons. If the Committee desires me to have a statement prepared, I could readily do so. We have a record of them.

Mr. ARTHURS: I think it would be interesting to the Committee in view of the proposed amendments to have them subdivided.

WITNESS: I will have a statement prepared as to the causes and present it to the Committee at a later sitting. The 4,463 cases represent 18 per cent or slightly over 18 per cent, of the total number of settlers granted loans.

By Mr. Caldwell:

Q. You make a report, I see, under the head of "Cost of Administration", but I do not see anything for rent or buildings or offices?—A. No, nothing is charged to any Government Department for rent. It all goes through the Public Works Department.

Q. Do you not think we should have some statement as to the rent that is paid on account of Soldiers Settlement?—A. It would be easy enough to prepare a statement. Roughly speaking, it amounts probably to \$200,000 a year. Of course, we have not the control of our own space.

Q. We want to get the outlay. What do you say that would amount to to date? Could you prepare us a statement of that?—A. Yes, we know what our rents are and we know the space we have. I say roughly \$200,000 at the present time, but it may be a little more than that.

Q. You might get your statement of that up to date?—A. Yes, I will get that.

Q. Including your district offices, head office, and everything?—A. Yes.

Q. It will make this statement complete to date?—A. The reason we did not give it is that it is not chargeable to us, so far as Government book-keeping is concerned.

Mr. CALDWELL: I am not criticizing you, we simply want the information.

By Mr. Speakman:

Q. Have you the collections to date?—A. I was just looking for the revenue statement; that is what I was going to give you. Our revenue statement shows—collected on initial payments, \$5,900,000. It is necessary to give that figure because that is included in the amount of loans advanced to settlers. That is, we charge up to the settler the total purchase price; then he is credited with whatever his initial payment is. The credited initial payments for the whole period of years up to the end of the last fiscal year amount to \$5,900,141.

By Mr. Caldwell:

Q. In this report it is stated as \$3,762,835?—A. That report does not cover the same period. That report is a year back. This is up to March 31st of this year.

Q. Do you make the statement that in the last year the initial payments would amount to in the neighborhood of \$2,000,000?—A. No, I have not got a copy of that report with me.

Q. Your figure on page 35 is "gross loans \$94,733,547.39 less initial payments, \$3,762,835.86"?—A. It is difficult to understand some of those statements. For instance...

Q. Do you not think that if we are to have a report the members of this Committee should have it up to date?—A. You have to take the report to the end of the last fiscal year. You could not print a report right up to date. All the reports come out covering a year back.

Q. Your statement is up to the end of March 1924?—A. Yes, but you cannot get out any printed report immediately after the close of the fiscal year. As a matter of fact, our accounts are only wound up on the 30th April. The accounts are just being wound up now for the end of the fiscal year.

Q. I think there should have been a note here because the members of the Committee are doing a lot of work on this report, and it is not of very much use to us in view of the fact that it is more than a year old. You say that the initial payments now amount to over \$5,000,000.—A. I want to explain that. We received among that \$5,000,000 repayments; we received \$1,767,561 on which no sale was made. The money came into our accounts. As a matter of fact, we issued warrants in repaying that. It is paid out of our appropriation. It comes in, and we turn it over to the Receiver General, and when we pay that back to the settler, because no sale is made, it is paid by warrant; it is paid out of our appropriation. We got in, as I say, \$1,767,000.

Q. Not as initial payments, but as repayments?—A. Initial payments from settlers who put in an application. We got it in before any loan was approved. We do not give him a loan at all. That money goes to the Receiver General.

Q. If you do not loan, you repay it?—A. We pay it back to him, and it is charged to our appropriation. That, I think, accounts for the difference in that case. They were dealing with settlers who were actually granted loans.

Q. That is all we want to know; the other matter is simply a matter of book-keeping?—A. It is only a matter of book-keeping, but it affects the whole loan statement, our whole account with the Finance Department.

Q. That is only a deposit, a guarantee of good faith to the borrower?—A. We do not return that money. As fast as that money comes in, we pay it to the Receiver General's warrant, it goes in as part of the revenue of the country.

Q. I understand all that. That does not affect our surplus or debit balance in the end?—A. It does not, but I have been giving the statement of the amount we have charged against us. Now, we have to take in that, otherwise we would have charged against us this \$1,700,000. We have to put that in.

Q. I get your point as to the first item. I thought you said that the initial payments amounted to \$5,000,000?—A. That is the reason we have to put that in. It is revenue.

Q. It is repaid to the soldier?—A. Because no loan was granted.

Q. I notice that in the report your total repayments amounted to \$9,779,925.19?—A. I think that probably I have that in another way. I brought here this morning my statement for the estimates. Our total refunds amount to \$15,210,000; that is not including the \$5,000,000 of initial payments. That is, we have refunded to the Receiver General \$15,210,000. That is not all in the shape of repayments from settlers. Part of that is derived from the sale of salvaged property. Some of it is administration refund. We refunded at the end of every year. We have it charged up to administration. At the close of the fiscal year, that has been charged to us, it is part of our annual expenditure, and yet we refund.

Q. I presume that this is a statement of the actual standing. I am not going into the details of receipts and expenditure. I take it that this would be the actual standing at the time this report was made?—A. Yes, that would be as to the actual refunds from settlers, if that is the statement.

Q. There is an item on the last page of this report, "Statement of Loans in force as at March 31, 1923."

Mr. MACLAREN: Is this a general statement that the witness is making now?

The CHAIRMAN: Yes.

Mr. MACLAREN: Would it not be better to give the witness an opportunity of making that statement? While these questions are very proper, speaking

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for myself, they interfere with my general conception of the statement. If acceptable to the Committee, I would suggest that the witness be allowed to make a general statement, and then we can get a consecutive idea of what is in his mind, and afterwards we can ask all the questions we desire to ask. As it is now, the witness has certain ideas in his mind, but the questions prevent them from getting into my mind, because there are so many different phases of the matter.

Mr. CALDWELL: I agree that that is correct and proper.

Mr. ARTHURS: I think so too. I think that when matters of this kind are brought up the statements should be consecutive. One member of the Committee will ask questions about one thing, and immediately another member will ask questions about a totally different point. The report of the proceedings will be much clearer if we practically close one side of the case before taking up another.

Mr. CARROLL: Let us clear up each point as we go along.

The CHAIRMAN: I think it is the opinion of the Committee that the witness should be allowed to go right through with his statement, and then what we might call cross-examination can proceed afterwards and all kinds of questions can be asked about his statement. We will proceed with his statement.

Mr. CALDWELL: I may say, by way of explanation that I did not know that the witness was giving a general statement.

Mr. MACLAREN: I was not referring particularly to Mr. Caldwell. It is the principle of the thing to which I wish to draw attention.

Mr. CALDWELL: I imagine that the report is being taken in full this morning. In view of the fact that this report of the Soldier Settlement Board is a year old I presume that later on we will have it up to date.

The CHAIRMAN: Yes.

Mr. CALDWELL: Then I think we should hear this report from the witness and when it is in our hands take it up and go into the details.

Mr. CARROLL: That is, the witness will come back again?

Mr. CALDWELL: Yes, that is what I would like.

WITNESS: I have not got a statement here, but I will have it on the same basis as this statement. This is based entirely on repayments that are made by settlers. The statement I was using was the total revenue statement, and I was endeavouring to show how the country stands with regard to this, the general debit against us, the general revenue that has been received, so as to give you some perspective of the actual financial situation, irrespective of the settlers to whom actual loans have been granted.

By Mr. Caldwell:

Q. Will your statement give the details as to how much was repayment of loans, how much was initial payments, and how much was derived from salvaged sales?—A. I will have a statement prepared. There are so many ways in which you can prepare these statements. There are so many angles from which you can look at the matter. Unless one knows what the members of the Committee are after, it is difficult to foresee the line which the statement should take. It is very difficult. If you are looking at it from the point of view of the Finance Department, the statement will assume one aspect; if you look at it from another point of view, it will assume another aspect. The figures are all reconciled, but they leave out many things.

Mr. CALDWELL: In order to assist the Chairman of the Board as to what we want, speaking for myself, I would like details of the initial payments, the amount received on account of salvages so that we may arrive at the cause of

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the failures. It is not from the point of view of the Department of Finance so much; it is to find the causes and effects and if possible to find a remedy for them.

WITNESS: I was avoiding the question of the causes of failure. I took as part of the settlers' claim for relief by way of re-valuation, capital indebtedness or something of that nature. I was avoiding dealing this morning with the causes of failure. Before going further with regard to this general statement, there is one thing that I think possibly should be mentioned here, and that is the alteration that was made in the law as a result of the report of the last Committee. The last Committee reported, and amendments were made to the Act carrying out the report of the Committee and providing for a consolidation of all indebtedness of soldier settlers and a fresh start was made, and it was re-consolidated from 1922. That is, all the debt at that time was re-consolidated, and 25 years' time, irrespective of contracts, irrespective of old Acts was given for the payment of indebtedness from that time. In addition to that, of course, there was an extension of the time for repayment of advances for stock and equipment, from 4 to 6 years to 25 years. Then there was the concession of waiving interest for 4, 3 or 2 years, depending on the date when the settler got his advance. Now, the importance of that is this, if you want the figures to deal with the question of the cause of failure and all that, it really should only go back practically for the two years. It is the situation in the last two years that is the material thing; not so much what has gone before, and I would like to know from the Committee in preparing this statement if that would meet their wishes. That is, to prepare with some elaboration statements showing the situation in the past two years; that would give the aggregate, of course.

MR. SPEAKMAN: If a suggestion is wanted, I would suggest this. In considering the question of re-valuation of any farm, we would like to know the effect of the changes made in 1922. That is, we would like to know the percentage of failures due to financial causes after the passing of the amendments, as compared with the failures due to financial causes before the passing of the amendments, so that we may judge of the actual relief afforded by the amendments as between the period before 1922 and the period after. We should be able to get an intelligent idea of what further amendments might be necessary. I think it would make a very good basis of comparison, by showing what actually happened in respect of the changes made.

THE WITNESS: That is exactly the thing I wanted to know.

MR. CARROLL: I thought, too, it might be a good idea if we got a concrete statement—not so much this report, but a concrete statement along the lines of this report so that comparisons might be made. The witness is not giving us a general report. For example, take any page you see there; "Total acreage" for instance; could you not have a statement prepared showing in a smaller way the facts that are set forth in this report of 1923?

THE WITNESS: Yes.

MR. CALDWELL: You will find that this report is fairly well boiled down at the end here.

MR. CARROLL: But I think it would be easier for the witness and easier for the Committee to make comparisons. That is what we are here for, to make comparisons and by them to suggest changes if any. The statement the witness is giving us today is very difficult to follow.

THE CHAIRMAN: You mean that you want a report on the same lines as this, with the same chapters and the same headings as much as possible, including 1923, so that members of the Committee can refer from one to the other and make comparisons?

MR. CARROLL: Yes, brought up to date, brought up to the end of the fiscal year, March 31st, or as far as we can get it.

[Major John Barnett.]

APPENDIX No. 6

The WITNESS: You want a tabular statement such as the ones at the back I suppose?

Mr. CARROLL: I think if the witness had prepared a general summary of the conditions existing at the end of this year, the fiscal year, so that we would make comparisons of the two, it would be satisfactory. For example, there is a very good statement on the last page, but I do not think it would be complete enough.

Mr. CALDWELL: We want something so that we can make comparisons as we go along. By the way, with regard to going back further than the two years, I think a good many failures are caused by the settlers leaving the farms because they consider that if they stayed and paid for them they would be paying far more than the land was worth under present conditions. I know more than one case of that kind. I know one man who had made his payments regularly, and the Board considered him a successful settler. He said, "I think I could pay for it, but if I did I would pay double what it is worth, and by quitting now I would lose less than by paying for the farm." I think the statement would have to go back more than two years.

The WITNESS: I think that could be arranged.

Mr. CALDWELL: I do not think we need very detailed statements away back.

Mr. CARROLL: For example, you have in your statement last year a diversity of crops. We do not want that.

The WITNESS: I was going to suggest running through the report and picking out the statements you want. For instance, "Total Settlement under the Act", you would want that.

Mr. CARROLL: Yes.

The WITNESS: "Training of Prospective Settlers"; that has been abandoned now. You do not want that.

Mr. CALDWELL: This present report covers all that ancient history fairly well, I think, and a synopsis of last year's operations in addition to this would be what we want. This is a fairly full report of things up to the end of 1923, March 1923.

The WITNESS: Yes. Then you do not want anything brought up on the question of savings?

Mr. CALDWELL: We have all that excepting last year.

The WITNESS: Yes, but it is difficult to bring up some of these things, and I want to get the essential ones. You would want the gross loans to settlers?

By Mr. Caldwell:

Q. The amount of loans granted in the last year?—A. Yes, we have all that. It is easy enough to give it to you. Frankly, I might say that I did not expect that we would plunge into the question of re-valuation; out of that would arise the various points. That is what I expected in coming here today, and I did not have prepared particularly a general statement dealing with the whole thing. I think all the other things would arise from the discussion of the situation of soldier settlers.

Mr. CALDWELL: We would save time by having a summary of last year's operations in addition to this report.

The CHAIRMAN: In that case, perhaps it would be better if we would just modify our proceedings now, and proceed with re-valuation and leave Major Barnett to prepare a summary of last year's operations to be brought up at the next meeting.

[Major John Barnett.]

Mr. CARROLL: Do you think we can go into that without a comparison of what happened last year and what happened before?

The CHAIRMAN: It seems to me it might be very difficult. However, that is a matter for the Committee.

Mr. BROWN: It seems to me we might state in a general way our views and discuss the principle of it. We might give, in a general way, evidence of the necessity of re-valuation.

Mr. SPEAKMAN: If we are going to have discussion, Mr. Chairman, I might outline information I would expect to get some time during the committee. That would give Major Barnett an opportunity to prepare it. There are three or four lines along which I would like to question the witness later. A good deal of discussion has arisen in the country as to the financial standing of the whole system; that is, as to the proportion of total receipts to the administration costs including rentals, as to the deficit in actual operations as existing between all receipts to date from the settlers and all expenditures to date, not including all administrative expenditures. As far as I can gather from the report there is a very substantial deficit existing now, which means that none of the original debt has been repaid. There has been a good deal of discussion on that point and a good deal has been covered by this report, but I have that in view. The next thing would be in regard to re-valuation itself, and I would like prepared a statement of the terms on which the resales had been made. You will notice in the report that a considerable depreciation has been shown in the sales made, as compared with the original price paid.

Mr. CARROLL: That would be a basis for re-valuation too.

Mr. SPEAKMAN: Absolutely, because the report as it is now shows an appreciation in the price paid.

Mr. CALDWELL: I think that is just the money the Board had invested in it, not taking into consideration what is paid by the soldiers.

Mr. SPEAKMAN: That is the detail I want, the price paid originally, and the price as received on the resale shows an appreciation in value. Of course we would have to have the proportion of the price as paid by the settler in the initial payment, but that is not the main point I am getting at. The point is this, that as far as I can see, the price paid for the land in the first place was a cash price as paid by the Board, but the resales would be made on different terms, probably long time payments which might possibly account for some appreciation. Therefore, I would like to have the terms on which the resales as shown here had been made. It would give us a basis of comparison as to the real appreciation in values. I think the committee sees the point very clearly, and there is a point involved when you consider the present value of land, the selling price and so on. I think you can give me the general terms on which the land has been resold?

The WITNESS: Yes. It can be given you now. The terms vary in individual cases, but the general terms can be given now.

Mr. SPEAKMAN: There is one more point, and that is an approximation of the percentage of the expense of administration which has been devoted to immigration purposes in the last year or two as apart from the soldiers settlement altogether. That is a matter of bookkeeping largely, but in order to get a fair idea of the cost of administration, I think it is necessary that we should have some percentage of the administrative cost which is devoted to anything other than administration of that land, because now we know the functions of the Board will be somewhat altered. It is really now an adjunct in some respects to the Department of Immigration, and I would like an approximation of the percentage which has been expended in immigration and not in soldiers settlement. That is, in carrying on general immigration work.

[Major John Barnett.]

APPENDIX No. 6

By Mr. Arthurs:

Q. I would like to ask the witness whether he has a synopsis or a full statement of the change in the policy of New Zealand regarding these loans. If possible, I would like to get that before the next meeting of the committee.—A. I do not know whether we can get the latest returns; we receive reports continually from them, and I think it is possible to give you some statement of that kind. Of course, there is one difficulty about the New Zealand figures, that in New Zealand housing and land settlement are mixed up together, and you cannot distinguish the two. That is, there was a Soldiers' Housing Scheme and a Land Settlement Scheme, an actual Agriculture Scheme all mixed up together, and the figures are hard to untangle on that point.

By Mr. Brown:

Q. You know the general principles on which they work?—A. Yes. We receive reports but I do not know whether we have any reports on the actual changes that they made or not.

Mr. CALDWELL: In connection with the information asked for by Mr. Speakman, I notice on page 33 of the report a summary of land sales. "Cost to the Board \$3,204,874.75. Selling price \$3,580,104.10." I take it this is the amount of money the Board had against the land, and not the actual cash price paid for the land in the first place. That is, this does not include any payments by the settler?

The WITNESS: No.

By Mr. Caldwell:

Q. I think you can prepare for us a statement showing the amount of money actually paid for the land; then giving the amount the Government paid; the amount of the settler's initial payment, and in another column the amount of the subsequent payments, and so on. The reason I would like to have the initial and subsequent payments divided is this, that they will indicate to us whether or not these settlers made any payment after the initial payment or whether they were all "Duds" who never made any payment.—A. They are not; I have that statement here.

Q. This man in New Brunswick told me "I think I can pay for it, but I will lose more money by doing that than by leaving it now and losing what I have already paid on it."—A. I have that statement here, as a matter of fact.

Q. This would indicate that the Government has received more money for these farms than was actually paid in the first place, and I do not think that is really the case. For that reason, in order to get an intelligent idea, I think we should have the amount paid by the soldiers as well.

By Mr. Brown:

Q. Would it be possible for you to give us the details of any specific case?—A. If you can give me warning of it I could. I cannot specify any one out of 4,000 cases without a little time. I could get particulars on any case that you want if you tell me about it.

Mr. CALDWELL: Mr. Chairman, I do not think we can expect the Chairman of the Board to do that; I think all we can do is to get the general idea; we cannot take up individual cases with the hope of adjusting them. We are to settle the principle and find a remedy if one is needed for a condition that is very bad in the Department at the present time.

Mr. BROWN: We arrive at our general conclusions very much by our knowledge of specific cases, and while it would be manifestly impossible to ask the Chairman of the Board to give all the details of all the cases, yet I think that if one of the Committee has any knowledge of any particular case it

[Major John Barnett.]

would be quite proper for us to get the details of that case, and from our own personal knowledge we could arrive at general conclusions. For instance the statement is made that this land that had been resold was the best of the land. Maybe that is so, and maybe not. Now, I have only one or two cases in my own mind where I know resale has taken place, and I have an idea in my mind as to the character of that land that has been sold, and we will arrive at a conclusion on that general point only by bringing forward at least a number of detailed cases.

Mr. CALDWELL: My contention is that we could not expect the Chairman to go into all the details of all these cases. I agree that if there is any case that can illustrate the point, and the Chairman can get it for us, there is no objection to that.

The WITNESS: As a matter of fact, there is great merit in dealing with these cases as far as the salvage is concerned, and as far as the settlers that are in difficulties are concerned. The statement that I had prepared goes into the re-valuation on this basis. The settlers are divided into different classes. First we have a group of settlers who have repaid their loans in full. Then we have a group who not only meet their payments, but pay something more each year. Then we have a group who are annually meeting their payments right along, and then a group who are only partially meeting their payments, and then a group who are unable to pay anything. I prepared this statement, which I expected to put before the Committee, dealing with a number of actual cases picked entirely at random through various districts, settlers who are in difficulty. I have also the actual details of their cases. I did not expect to go over the whole of them, but I do want an opportunity before the Committee is through of reaching the salient features of the cases of a number of them in order to illustrate the different types of men that are involved in the thing. In the same way, I have had prepared and have here to-day a statement of every parcel of land we have sold in the last twelve months, and individual statements of each one, so there is no question as to that.

By Mr. Brown:

Q. Might we get a detailed statement as to what might be regarded as a typical case in each one of these classes you mentioned?—A. Yes. As far as Mr. Caldwell's question goes, I have the figures here, of course, as to the amount that was paid including the initial payments, the amount which has been received from crop rentals, the amount received from various sources, because on all these salvage cases we collect a good deal of money in rentals. I have in mind one case in Saskatchewan where we collected last year more than one-third of the whole cost in our rentals, with the place on a crop rental basis.

Mr. CALDWELL: I would like to have that also in another column.

Q. Can you prepare us a statement that we can have for reference?—A. Yes, we will prepare a statement practically duplicating all the salient statements in here, with the additional ones bearing on the cost of land. I think it is the only way, from a general point of view. If you ask me questions on anything I can answer them, but it is pretty hard to attempt verbally unless I had prepared them all beforehand, because there is so much and different points continually arise.

Mr. ARTHUR: I would think, Mr. Chairman, the witness might go on with the statement regarding the salvage of these places and the cost, and the number of cases that have been successful and so on, and then afterwards hand it in so that it may become part of this day's proceedings, and we will have the figures at least.

[Major John Barnett.]

APPENDIX No. 6

The WITNESS There are just two things that perhaps I would like to emphasize here, or discuss in a very brief way. There is, of course, the question of soldier settlers. They are spoken of as the men who are under the Board. As a matter of fact, the men who are under the Board who have had financial assistance number only 50 per cent of the soldier settlers who are on the land in Canada. There are soldier settlers—for instance, there are 6,000 men who have gone on free land and have got no loans from us. In most cases we would not give them a loan. Then there are a very large number of men—and we have checks on them to a certain extent, although we cannot say exactly how many men there are—who owned their land before they went overseas and then went back on it again. Then there are a very large number of men who wanted us to buy land and we refused, because the price was too high, and they have been struggling on under agreements for sale on their own hook. For instance, there are 3,000 men that we know of who get cheap implements on our certificates, and cheap lumber and so on. We have an arrangement with implement companies and lumber companies whereby we get special discounts, and a returned soldier would come in and get a certificate from us to the Massey-Harris people or the International Harvester Company, or the Cockshutt people, or a lumber concern, in which we stated that he was a returned soldier, and a bona fide farmer and entitled to discount. There are 3,000 of these men. We estimate from the figures which are available to us who are soldier settlers but who are not settlers under the Board. That, I think, is bound to be an important aspect of the thing from the point of view of the public, in considering the whole question of special relief for soldier settlers.

By Mr. Caldwell:

Q. You have made no expenditure on account of these men, and they are under no supervision?—A. No.

Q. They are simply men who have settled on their own hook?—A. Yes. Then, just as an illustration of that, in Manitoba the question of taxes arose, and I have no doubt it will arise as one of the questions here. We had a letter from the former Minister of Education for the Province of Manitoba, Hon. Dr. Thornton, and in the memorandum which he submitted he said that in one school district there were forty-one quarters formerly held by returned soldiers, and he put the tax question up to us on that. The total number of our soldier settlers there was eight, and the number of quarters we had was twelve out of forty-one. The other returned soldiers had nothing to do with the Board. In Dallas school section there were twenty-two quarters held by returned soldiers, and we had only five loans out of that number.

Q. The land that was held by soldiers who were not under the Board could be sold by the school board for the taxes, but they could not do that to the soldiers under the Board.—A. I am not discussing the tax question; I am not raising it from the tax point of view, but simply as an illustration to show that there is a very large number of returned soldiers who are farmers on the land who are not under the Board, and I feel sure that that point will ultimately come up. Any action that Parliament takes with respect to the men indebted to the Government is going to arise sooner or later with respect to the men who are also farmers and also returned soldiers, but do not owe the Government anything. They have been struggling under the same conditions, and in a great many cases have been paying interest on their money from 6 to 10 per cent, while the settler under the Board pays only 5 per cent, or no interest at all.

Q. I think Mr. Barnett will admit that we have no jurisdiction over these men and cannot take these into consideration.—A. I am only just indicating that at the start.

[Major John Barnett.]

Q. Before you go any further, let us get your viewpoint. Is it your viewpoint that if the Government should revalue land we should have to reimburse these other farmers?—A. I take this view, that revaluation is a relief bonus. It is a bonus to a particular class of soldier settlers; you can call it a revaluation or a reduction in capital, but it is a bonus after all.

By Mr. Brown:

Q. But supposing we drop that and consider it as a question of doing the best we can for the crop, to salvage it, and make the best of a bad scheme.—A. That may be. I am not going to argue; I am not attempting to argue that, excepting that I think it is my duty to call attention to the fact that that situation exists.

The CHAIRMAN: Perhaps we are going a little out of the way. I would suggest, if it is the pleasure of the Committee, that we proceed with the general statement on revaluation, and then all these matters would come out. Of course, I need not tell members of this Committee that all questions could be asked afterwards, but I think we should proceed with the general statement first, so I would ask members of the Committee to be so kind as to let the witness proceed. Of course, if the statement is not quite clear, a question can be asked to make it more intelligible.

Mr. KNOX: In the figures that Major Barnett gave us in regard to these men farming who do not come under this Board, does he not include the men who were on farms before they went overseas?

The CHAIRMAN: All that will come afterwards, but at the present time I would suggest that the witness proceed with his statement and no doubt he will mention this. Whether he does or not, questions can be asked afterwards to re-open all these matters.

The WITNESS: I would just as soon answer Mr. Knox's question right now. I do include in this, of course, men who did own farms. It includes some of those; it includes men who have bought farms since; it includes men who have gone on Dominion lands since; it includes a great variety of returned soldiers.

By Mr. Brown:

Q. Would it include men who had no connection or dealing with the Board at any time?—A. Yes, certainly it does. The 6,000 men who got free grants had to get a certificate from us, of course. There are 3,000 more who came to us, and the only connection we had with them was to give them a certificate to enable them to buy implements more cheaply. The others, about 10,000, have been refused loans and a very considerable part of those, perhaps not 50 per cent, but running into the thousands, a great many of them had already obligated themselves to buy farms and we refused to complete the purchase of their property. Now, there is only one thing further that I want to say, because I think the rest should be waived until the general statement gets into the hands of the Committee. On the question of re-valuation I would like in my evidence, if the Committee is agreeable, to deal with the situation when we come to it at another sitting, from four points of view, and I think it answers all the objections if the evidence is presented in answer to four questions. What you do, and what you should do depends upon the evidence that is given upon these four main questions. The first question is, "What is the true economic position of soldier settlers?" and I am speaking now of only soldier settlers who have had financial assistance from the Board. I am not referring to the others. That is the first question and perhaps the most important. The second is, "Will a special relief bonus by way of valuation or a cut in capital materially assist the men who are having difficulty in staying on the land?" Those are the two most important questions, the true situation, and will it assist them. It is just in that connection that I

[Major John Barnett.]

APPENDIX No. 6

had prepared the statement, the individual statement dealing with over 1,000 cases of men who are in difficulties. There may be other men, there are more; that does not exhaust the number of men who are having difficulty by any means. The last two questions are incidental to the first two. "Provided that it is determined that re-valuation or a relief bonus in some shape is found possible, to what soldier settlers will that special relief be made to apply?" That is the next question, and that has to be considered. The last question is, "What method of affording that relief will be most satisfactory and cost simple? Those are the four lines that I would like to take up in dealing with the question, and I think if the Committee is agreeable after the general statement goes in, that is the line I would like to follow to present my views on the question of re-valuation. I might say that I do not purpose dealing with the actual deflation that has taken place. I have gathered together far more evidence than I had last time on the question of deflation; I have drawn from every district office that we have operating, comparative prices of lumber. I have taken an actual lumber bill which we bought in 1919 and 1920, gone to a lumber company to-day and said, "Fill it and what is your price?" I have taken an actual bill of implements we bought, and have gone to the implement dealer to-day and said, "Fill it, and what is your price?" In the same way, the land is more difficult, but on the land situation we have also canvassed and got the results of sales in order to get comparisons, and I have established, apart altogether from our own land which we have resold, a large number of comparative prices. I think evidence of that should hinge on the question as to the situation now, as contained in the question, "Will re-valuation or a capital cut help the men who are in difficulties?"

By Mr. Caldwell:

Q. Have you included in that a comparison of the prices for the produce of these farms when they were bought, and now?—A. No. Everybody knows that.

Q. Or the comparative purchasing value of that, as compared with the price of things the settler buys?—A. No. It is easy enough to do; that is a matter of common knowledge.

Q. You have not prepared anything like that?—A. No. I have not. That is a matter of common knowledge. There is no question, of course, that on most things at any rate there is no comparison.

Q. There, after all, hinges the whole difficulty, and there is what justifies the purchasing of the land at the price you did purchase it for at that time, and to-day it is impossible to pay that price at the present rate of farm produce. To my mind that is the whole thing.—A. I cannot quite agree with you. Of course, you can point to districts all over Canada where you cannot buy land at a reasonable price, and for any settler we attempt to establish to-day we have to pay more than we paid in 1919.

Q. Then you do not want to buy it?—A. We are not buying very much, but other people are buying it and we have to refuse to establish anyone there; they are good districts, too. I will admit they are not nearly as numerous as the ones that are the other way; they are not as numerous, but there are cases and that is one of the things you have to consider when you consider the question of re-valuation, and it is one of the things you have to deal with in determining what settlers you are going to distribute this re-valuation to, if you decide to put it through. It is a real problem that confronts you.

I do not think there is anything further, Mr. Chairman, that I should say this morning. I will prepare the general statement, and then if the Committee is agreeable I will be prepared to answer and explain any questions, and then on the question of re-valuation, I will take it up as soon as opportunity affords. I think the evidence should be concentrated on those four questions, in order to bring it to the attention of the Committee.

[Major John Barnett.]

By the Chairman:

Q. When do you expect this general statement to be prepared?—A. In just two or three days we can have it for you. I do not think you will have to delay very long.

The CHAIRMAN: In view of the declaration of Major Barnett that he would not be prepared to go any further, I suppose we might adjourn now. Before that, however, I wish to inform the Committee that the third report of the Ralston Commission will be printed some time this week. Therefore, we are waiting on two things, this general statement of Major Barnett's, and the report of the Ralston Commission. In view of the fact that Major Barnett declares his general statement will take two or three days to prepare,—which is a short time after all—perhaps we had better decide now not to fix any date for the next meeting, but as soon as these statements are available, the Committee will be called together.

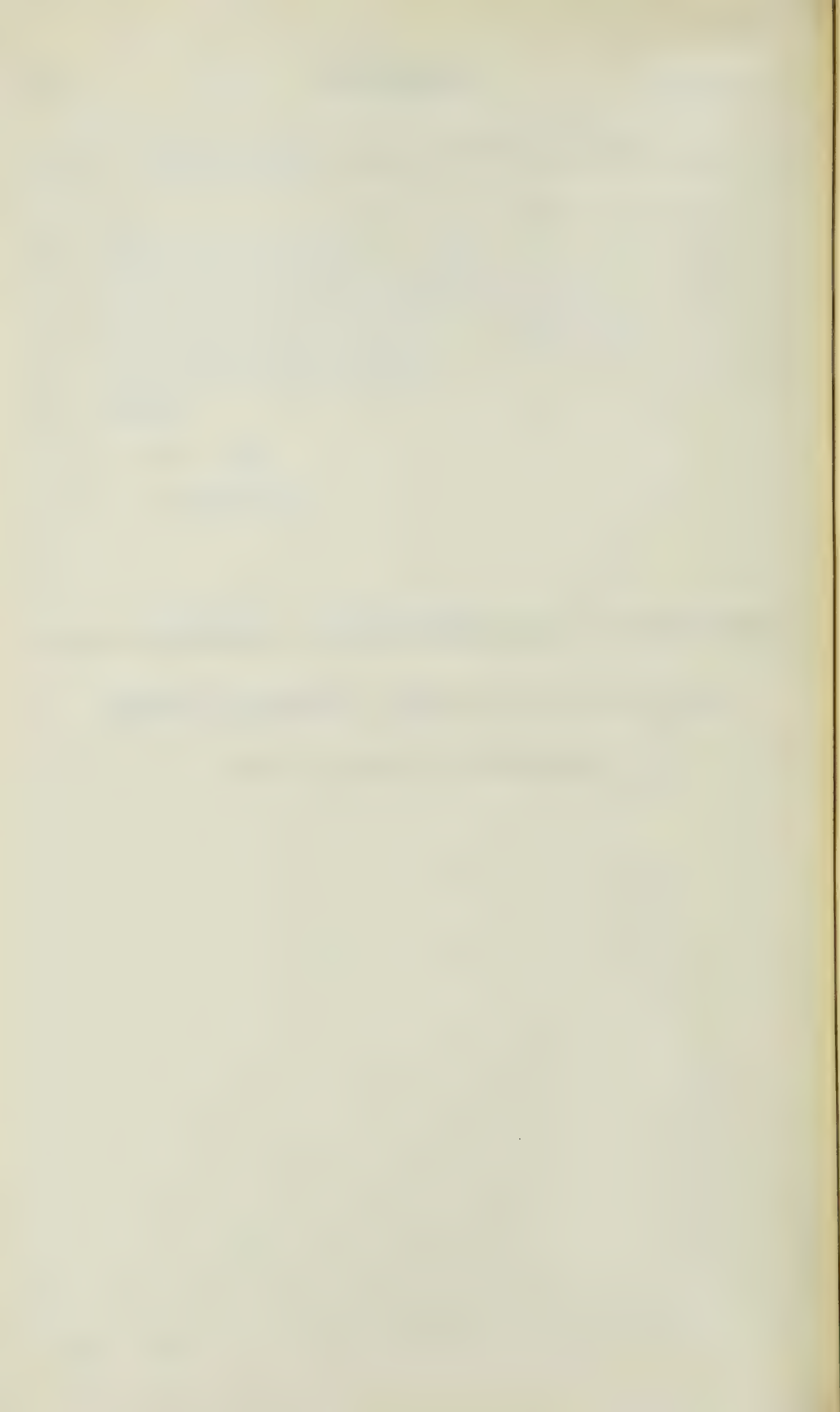
The witness retired.

The Committee adjourned.

APPENDIX TO PROCEEDINGS No. 2 OF MAY 14, 1924

THE SOLDIER SETTLEMENT BOARD OF CANADA

STATISTICS TO MARCH 31, 1924



APPENDIX No. 6

TOTAL SETTLEMENT UNDER THE ACT

District and Province	Total Applications dealt with to Date	Total Number Qualified to Date	Total Number Granted a Loan	Total Established on Soldier Grant Entries without Loan	Total Settlement under the Act
Vancouver.....	10,135	5,341	2,167	122	2,289
Vernon.....	952	554	1,201	130	1,331
British Columbia.....	11,087	5,895	3,368	252	3,620
Calgary.....	7,308	5,968	2,929	471	3,400
Edmonton.....	7,893	6,685	3,953	1,942	5,895
Alberta.....	15,201	12,653	6,882	2,413	9,295
Regina.....	7,081	5,811	2,150	721	2,871
Saskatoon.....	5,550	4,217	2,191	344	2,535
Prince Albert.....	2,449	1,906	1,628	1,488	3,116
Saskatchewan.....	15,080	11,934	5,969	2,553	8,522
Manitoba.....	10,082	8,218	3,639	1,203	4,842
Ontario.....	8,390	4,871	1,886	.....	1,886
Quebec.....	2,780	1,366	477	.....	477
New Brunswick.....	1,954	1,420	686	*14	700
Nova Scotia.....	1,833	1,122	469	.....	469
Prince Edward Island.....	736	558	367	.....	367
Maritime Provinces.....	4,523	3,100	1,522	*14	1,536
Dominion Totals.....	67,143	48,037	23,743	6,435	30,178

Applications Received but not dealt with:—766, bringing Total Applications Received to 67,909.

* On Crown Lands but under the Advisory Supervision of the Board.

STATEMENT OF SETTLERS ESTABLISHED ON THE LAND—BY CALENDAR YEARS

District and Province	1918	1919	1920	1921	1922	1923	From Jan. 1, 1924 to March 31, 1924
Vancouver.....	70	1,856	614	122	60	76	16
Vernon.....	.....	.....	187	127	99	94	13
British Columbia.....	70	1,856	801	249	159	170	29
Calgary.....	64	1,248	988	329	165	96	24
Edmonton.....	146	1,809	1,189	340	229	173	30
Alberta.....	210	3,057	2,177	669	394	269	54
Regina.....	44	730	976	188	95	72	22
Saskatoon.....	15	794	841	273	125	99	33
Prince Albert.....	30	645	547	172	85	135	18
Saskatchewan.....	89	2,169	2,364	633	305	306	73
Manitoba.....	216	1,434	1,281	322	134	182	30
Ontario.....	24	633	616	238	199	123	30
Quebec.....	21	211	135	45	29	31	2
New Brunswick.....	11	306	150	89	76	17	11
Nova Scotia.....	5	209	106	60	33	41	7
Prince Edward Island.....	21	178	89	28	26	14	4
Maritime Provinces.....	37	693	345	177	135	72	22
Dominion Totals.....	667	10,053	7,719	2,333	1,355	1,153	246

14-15 GEORGE V, A. 1924

SUMMARY

No. Settlers established during Calendar Year 1918.....	667
“ “ “ “ 1919.....	10,053
“ “ “ “ 1920.....	7,719
“ “ “ “ 1921.....	2,333
“ “ “ “ 1922.....	1,355
“ “ “ “ 1923.....	1,153
“ “ from January 1st to March 31st, 1924.....	240
Loans approved but not reported for disbursement.....	223
Total Number of Loans approved.....	23,743

GROSS LOANS TO SETTLERS TO MARCH 31, 1924

District and Province	Land Purchase	Removal of Encumbrances on Soldier Settlers' Land	Permanent Improvements	Stock and Equipment. Special Advances, etc.	Total Gross Loans
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Vancouver.....	5,859,119 54	263,065 23	1,207,608 49	2,155,821 86	9,485,615 12
Vernon.....	3,191,589 85	199,857 85	776,767 65	1,043,699 79	5,211,916 14
British Columbia.....	9,050,709 39	462,923 08	1,984,377 14	3,199,521 65	14,697,531 26
Calgary.....	8,699,476 42	380,716 24	1,365,233 95	4,186,319 11	14,601,745 72
Edmonton.....	6,980,374 21	362,187 65	1,368,704 19	5,001,643 91	13,712,909 96
Alberta.....	15,649,850 63	742,903 89	2,733,938 14	9,187,963 02	28,314,655 68
Regina.....	5,992,475 24	394,491 00	943,532 30	2,666,399 59	9,996,898 13
Saskatoon.....	5,465,856 12	315,993 00	1,012,198 94	2,891,453 79	9,685,501 85
Prince Albert.....	2,510,213 44	85,091 81	680,811 50	2,001,237 09	5,277,353 84
Saskatchewan.....	13,968,544 80	795,575 81	2,636,542 74	7,559,090 47	24,959,753 82
Manitoba.....	9,102,967 43	1,648,762 62	2,224,818 63	5,109,805 96	16,544,079 64
Ontario.....	6,126,302 17	151,702 28	300,432 00	1,786,618 06	8,365,054 51
Quebec.....	1,542,000 92	21,279 38	73,798 09	699,240 37	2,336,318 76
Maritime Provinces.....	3,318,216 54	148,228 32	141,195 41	1,150,817 40	4,758,457 67
Head Office.....	27 10				27 10
Dominion Totals. ..	58,758,618 98	2,479,100 38	10,095,102 15	28,693,056 93	100,025,878 44
Advances to Indians.....					399,199 31
Total.....					100,425,077 75

STATEMENT OF LOANS IN FORCE AS AT MARCH 31, 1924

Gross Loans.....	\$ 100,425,077 75
Total Initial Payments.....	\$ 5,788,483 64
“ Returned.....	\$ 1,767,561 17
Surplus Returned.....	37,031 61
(Estates and Foreclosures).....	\$ 3,983,890 86
Net Loans.....	\$ 96,441,186 89
Interest charged and accrued to March 31, 1924.....	7,291,306 50
Total Loans including Interest.....	\$ 103,732,493 39
Less Repayments.....	12,975,135 10
Balance Outstanding on account of Loans.....	\$ 90,757,358 29

APPENDIX No. 6

TOTAL ACREAGE, MARCH 31, 1924

District and Province	Acreage Occupied by Settlers with Loans					Acreage Occupied by Settlers without Loans	Total Acreage Occupied under the Act
	Purchased Lands	Privately Owned Lands	Dominion Lands	Total Acreage	Average Acreage of Settlers' Farms		
Vancouver.....	96,867	24,572	288	121,727	56.0	29,280	151,007
Vernon.....	69,523	14,364	14,668	98,555	83.2	31,200	129,755
British Columbia.....	166,390	38,936	14,956	220,282	65.4	60,480	280,762
Calgary.....	446,348	55,324	144,246	645,918	220.5	113,040	758,958
Edmonton.....	391,426	88,716	368,294	848,436	215.2	466,080	1,314,516
Alberta.....	837,774	144,040	512,540	1,494,354	217.1	579,120	2,073,474
Regina.....	314,925	68,437	89,563	472,925	219.0	173,040	645,965
Saskatoon.....	319,817	69,745	53,152	442,714	201.2	82,560	525,274
Prince Albert.....	149,949	41,984	202,860	394,793	244.1	357,120	751,913
Saskatchewan.....	784,691	180,166	345,575	1,310,432	219.5	612,720	1,923,152
Manitoba.....	448,374	38,126	232,310	718,810	197.5	288,720	1,007,530
Ontario.....	163,876	12,257	.....	176,133	93.8	.....	176,133
Quebec.....	51,377	2,728	.....	54,105	113.3	.....	54,105
New Brunswick.....	81,976	7,075	310	89,361	130.6	.....	89,361
Nova Scotia.....	51,984	7,643	.....	59,627	127.5	.....	59,627
Prince Edward Island.....	26,737	5,103	.....	31,840	86.9	.....	31,840
Maritime Provinces.....	160,697	19,821	310	180,828	119.0	.....	180,828
Dominion Totals.....	2,613,179	436,074	1,105,691	4,154,944	175.1	1,541,040	5,695,984

SUMMARY

Acreage of Purchased Lands.....	2,613,179
“ Privately Owned Lands.....	436,074
“ Dominion Lands (With Loans).....	1,105,691
“ “ (Without Loans).....	1,541,040
Total Acreage under the Act.....	5,695,984

14-15 GEORGE V, A. 1924

PURCHASED LANDS—ACREAGE AND AVERAGE PRICE PAID

District and Province	Average Price per Acre			Total Acreage and Amount Paid					
	Inception to Mar. 31,	Fiscal Year 1921-22	Fiscal Year 1922-23	Inception to March 31, 1921		Fiscal Year 1921-22		Fiscal Year 1922-23	
				Acreage	Amount	Acreage	Amount	Acreage	Amount
Vancouver.....	57.10	62.61	73.93	89,103	5,087,514	3,299	206,560	1,800	133,071
Vernon.....	42.18	46.60	71.06	57,085	2,407,748	5,804	270,445	3,002	213,329
British Columbia.	51.27	52.40	72.14	146,188	7,495,262	9,103	477,005	4,802	346,400
Calgary.....	17.02	18.61	18.47	361,919	6,161,285	42,579	792,446	23,213	428,696
Edmonton.....	16.59	19.75	18.18	330,040	5,475,742	27,012	533,615	19,496	354,369
Alberta.....	16.82	19.05	18.33	691,959	11,637,027	69,591	1,326,061	42,709	783,065
Regina.....	17.69	17.18	16.01	260,979	4,617,353	24,122	414,463	14,403	230,675
Saskatoon.....	15.66	13.96	18.46	258,157	4,043,764	29,174	404,224	13,749	253,876
Prince Albert.....	14.90	11.17	13.04	108,270	1,613,033	20,530	229,383	11,120	154,972
Saskatchewan....	16.37	14.24	16.28	627,406	10,274,150	73,826	1,051,070	39,372	639,523
Manitoba.....	17.63	21.04	23.41	392,029	6,910,362	24,242	509,977	16,120	377,419
Ontario.....	34.38	38.35	38.12	128,532	4,418,970	16,160	619,669	10,573	402,997
Quebec.....	29.52	37.95	29.52	43,328	1,278,737	2,542	96,460	3,331	98,343
New Brunswick..	16.48	25.56	18.08	62,860	1,036,109	6,382	163,144	6,419	116,053
Nova Scotia.....	19.56	25.38	23.57	39,409	770,852	4,107	104,232	4,171	98,315
P. E. Island.....	28.04	29.60	33.27	22,335	626,259	1,467	43,430	1,444	48,037
Maritime Provinces.....	19.53	26.00	21.80	124,604	2,433,220	11,956	310,806	12,034	262,405
Dominion Totals.	21.10	21.17	22.59	2,154,046	45,447,728	207,420	4,391,068	128,841	2,910,252

APPENDIX No. 6

THE SOLDIER SETTLEMENT BOARD OF CANADA—COLLECTIONS 1923-1924 AS AT
MAY 7, 1924

District and Province	Total Amount Due Oct. 1, 1923	Total Amount Collected	Per cent Collected	Settlers					
				With Payments Due Oct. 1, 1923	Who Paid in Full	Who Paid in Part	Who Paid in Full or Part	Per cent Who Made Due Pays	Making Pre-payments
	\$ cts.	\$ cts.							
Vancouver.....	509,924 85	203,706 21	39·9	1,724	575	812	1,387	80·4	97
Vernon.....	260,892 12	88,636 49	34·0	886	265	343	608	68·6	215
British Columbia.	770,816 97	292,342 70	37·9	2,610	840	1,155	1,995	76·4	312
Calgary.....	859,093 55	391,179 79	45·5	2,289	694	1,096	1,790	78·2	491
Edmonton.....	759,066 58	313,762 42	41·3	2,825	893	1,311	2,204	78·0	713
Alberta.....	1,618,160 13	704,942 21	43·6	5,114	1,587	2,407	3,994	78·1	1,204
Regina.....	433,799 11	214,796 31	49·5	1,707	692	554	1,246	73·0	420
Saskatoon.....	468,035 59	296,239 94	63·3	1,697	782	671	1,453	85·6	437
Prince Albert.....	276,142 82	132,464 28	48·0	1,326	536	441	977	73·7	137
Saskatchewan....	1,177,977 52	643,500 53	54·6	4,730	2,010	1,666	3,676	77·7	994
Manitoba.....	749,226 64	139,172 51	18·6	2,455	384	743	1,127	45·9	232
Ontario.....	351,348 04	268,568 94	76·4	1,388	665	426	1,091	78·6	249
Quebec.....	99,570 13	48,550 07	48·7	320	102	148	250	78·1	52
New Brunswick..	87,284 32	47,516 45	54·4	437	167	185	352	80·5	70
Nova Scotia.....	74,341 85	44,139 15	60·3	333	124	187	311	93·4	44
P. E. Island.....	42,548 36	34,437 50	80·9	266	126	101	227	85·3	57
Mar. Provinces...	204,174 53	126,093 10	61·7	1,036	417	473	890	85·9	171
Dominion Totals.	4,971,273 96	2,223,170 06	44·7	17,653	6,005	7,018	13,023	73·8	3,214

Of the 13,023 who have made payments, 46·1 per cent paid in full.
53·9 per cent paid in part.

14-15 GEORGE V, A. 1924

LOANS REPAID IN FULL

District and Province	Repaid Loan by Selling Farm	Repaid Loan and Continued to Farm	Total Repaid Loans
Vancouver.....	79	49	128
Vernon.....	22	16	38
British Columbia.....	101	65	166
Calgary.....	12	49	61
Edmonton.....	27	64	91
Alberta.....	39	113	152
Regina.....	9	20	29
Saskatoon.....	9	24	33
Prince Albert.....	6	29	35
Saskatchewan.....	24	73	97
Manitoba.....	29	19	48
Ontario.....	68	39	107
Quebec.....	6	4	10
New Brunswick.....	15	16	31
Nova Scotia.....	12	20	32
Prince Edward Island.....	22	15	37
Maritime Provinces.....	49	51	100
Dominion Totals.....	316	364	680

ESTATES AND FORECLOSURES

District and Province	Total Number of Adjustment Cases	Number of Completed Cases	Number of Pending Cases	Percentage of Settlers with Loans in Adjustment
Vancouver.....	387	190	197	17.8
Vernon.....	195	66	129	16.2
British Columbia.....	582	256	326	17.3
Calgary.....	485	108	377	16.5
Edmonton.....	866	223	643	21.9
Alberta.....	1,351	331	1,020	19.6
Regina.....	353	99	254	16.4
Saskatoon.....	319	80	239	14.5
Prince Albert.....	179	46	133	11.0
Saskatchewan.....	851	225	626	14.2
Manitoba.....	912	160	752	25.1
Ontario.....	315	149	166	16.7
Quebec.....	167	103	64	35.4
New Brunswick.....	154	57	97	22.4
Nova Scotia.....	70	34	36	14.9
Prince Edward Island.....	61	37	24	16.6
Maritime Provinces.....	285	128	157	18.7
Dominion Totals.....	4,463	1,352	3,111	18.8

APPENDIX No. 6

SUMMARY

Number of Cases Completely Close Out, Involving 1,346 parcels of Land.....	1,352
“ Pending Cases where stock and equipment sold but land not sold..	2,110
“ “ where both S. & E. and Land Sold but Documents not Complete.....	124
“ “ where land has been sold but stock and equipment not sold.....	93
“ “ where both land and stock and equipment are unsold	784

Total Number of Adjustment Cases.....	4,463
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Of total soldier settlers granted a loan 18·8 per cent have passed into adjustment.

ESTATES AND FORECLOSURES—LAND AND PERMANENT IMPROVEMENTS—
(DISBURSEMENTS)

District	Number of Cases where Land Involved	Amount Disbursed by Board for Land	Amount Initial Deposits Received by Board	Amount Disbursed for Permanent Improvements	Total Disbursed for Land and Permanent Improvements
		\$ cts.	\$ cts.	\$ cts.	\$ cts.
Vancouver.....	189	543,918 83	16,281 97	98,624 84	658,825 64
Vernon.....	64	195,151 38	9,171 70	28,072 53	232,395 51
Calgary.....	108	359,596 72	23,734 80	35,681 83	419,013 35
Edmonton.....	223	577,520 30	10,359 68	68,535 84	655,415 82
Regina.....	99	307,371 22	21,134 00	33,330 18	361,835 40
Saskatoon.....	80	221,391 51	11,661 40	34,490 54	267,543 45
Prince Albert.....	46	71,982 60	2,364 00	14,775 85	89,122 45
Manitoba.....	160	448,532 05	37,824 47	101,936 21	588,292 73
Ontario.....	146	460,376 08	36,292 50	21,662 15	518,330 73
Quebec.....	103	376,903 12	7,799 88	19,216 15	403,919 15
New Brunswick.....	57	113,638 14	1,893 77	1,033 44	116,565 35
Nova Scotia.....	34	77,512 00	1,175 00	1,401 98	80,088 98
Prince Edward Island.....	37	77,398 00	300 00	250 21	77,948 21
Maritime Provinces.....	128	268,548 14	3,368 77	2,685 63	274,602 54
Dominion Totals.....	1,346	3,831,291 95	179,993 07	458,011 75	4,469,296 77

SUMMARY

Amount Disbursed by Board for Land.....	\$ -3,831,291 95
“ Initial Deposits Received by Board.....	— 179,993 07
“ Disbursed for Permanent Improvements.....	— 458,011 75
Total Cost of Land and Permanent Improvements.....	\$ -4,469,296 77

ESTATES AND FORECLOSURES—LAND AND PERMANENT IMPROVEMENTS—
(RECEIPTS)

District	Actual Selling Price of Land	Amount of Initial Deposits Received by Board	Receipts from Rentals	Crop Sales	Total Receipts on Resale of Land and Permanent Improve- ments	Balances	
						Surplus	Deficit
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Vancouver.....	695,626 57	16,281 97	3,120 74	883 23	715,912 51	57,086 87	.....
Vernon.....	243,489 84	9,171 60	1,364 56	641 64	254,667 64	22,272 13	.....
Calgary.....	446,762 81	23,734 80	2,204 42	561 10	473,263 13	54,249 78	.....
Edmonton.....	759,395 84	10,359 68	872 89	5,766 00	776,394 41	120,978 59	.....
Regina.....	398,823 65	21,134 00	940 55	8,693 08	429,591 28	67,755 88	.....
Saskatoon.....	302,628 22	11,661 40	55 48	7,023 35	321,368 45	53,825 00	.....
Prince Albert.....	120,784 20	2,364 00	1,435 59	848 16	125,431 95	36,309 50	.....
Manitoba.....	578,905 31	37,824 47	3,498 41	2,009 04	622,237 23	33,944 50	.....
Ontario.....	513,299 46	36,292 50	5,012 15	6,916 03	561,520 14	43,189 41	.....
Quebec.....	373,724 96	7,799 88	1,209 00	2,117 24	384,851 08	.....	19,068 07
New Brunswick...	126,333 89	1,893 77	214 00	813 43	129,255 09	12,689 74	.....
Nova Scotia.....	86,160 00	1,175 00	130 00	921 14	88,386 14	8,297 16	.....
P. E. Island.....	89,984 00	300 00	.....	430 75	90,714 75	12,766 54	.....
Maritime Provinces.....	302,477 89	3,368 77	344 00	2,165 32	308,355 98	33,753 44	.....
Dominion Totals..	4,735,918 75	179,993 07	20,057 79	37,624 19	4,973,593 80	523,365 10	19,068 07
						Surplus—\$504,297.03	

SUMMARY

Actual Selling Price of Land and Permanent Improvements.....	\$ 4,735,918 75
Initial Deposits.....	179,993 07
Rentals.....	20,057 79
Crop Sales.....	37,624 19
Total Receipts on resale of Land and Permanent Improvements.....	\$ 4,973,593 80
Total Cost of Land and Permanent Improvements.....	4,469,296 77
Surplus.....	\$ 504,297 03

APPENDIX No. 6

ESTATES AND FORECLOSURES—CAPITAL INVESTMENT—DISBURSEMENTS AND RECEIPTS FOR LAND, PERMANENT IMPROVEMENTS, AND STOCK AND EQUIPMENT

District	Land, P. I., and S. and E.		Receipts from Fire Loss	Repayments by Settlers	Total Receipts	Balances	
	Amount Disbursed	Amount Realized on Resale				Surplus	Deficit
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Vancouver.....	808,911 77	801,027 89	1,910 00	8,626 60	811,564 49	2,652 72	.....
Vernon.....	287,201 15	290,895 73	.....	1,628 33	292,525 06	5,323 91	.....
Calgary.....	561,927 28	553,936 61	1,216 50	4,585 21	559,738 32	.....	2,233 96
Edmonton.....	941,242 89	927,360 33	685 00	9,040 37	937,085 70	.....	4,157 19
Regina.....	454,384 46	483,701 36	654 85	5,068 22	489,424 43	35,039 97	.....
Saskatoon.....	348,012 21	370,105 53	16 58	344 28	393,466 39	25,454 18	.....
Prince Albert.....	139,576 78	153,377 37	.....	884 55	154,261 92	14,685 14	.....
Manitoba.....	779,007 67	723,563 97	1,156 73	5,620 94	730,341 64	.....	48,666 03
Ontario.....	661,641 40	645,551 80	1,459 61	13,003 01	660,014 42	.....	1,626 98
Quebec.....	556,431 18	471,641 54	1,690 00	3,035 29	476,366 83	.....	80,064 35
New Brunswick....	164,900 30	163,749 11	.....	1,398 72	165,147 83	247 53	.....
Nova Scotia.....	107,216 05	105,121 46	1,200 00	1,240 08	107,561 54	345 49	.....
P. E. Island.....	95,446 64	104,013 76	1,849 31	1,926 28	107,789 35	12,342 71	.....
Maritime Provinces.....	367,562 99	372,884 33	3,049 31	4,565 08	380,498 72	12,935 73	.....
Dominion Totals..	5,905,944 78	5,794,046 46	11,838 58	59,402 88	5,865,287 92	96,091 65	130,748 51
						Capital Deficit— \$40,656 86	

SUMMARY

Total Disbursements for Land, P. I. and S. and E.....	\$ 5,905,944 78
Total Receipts on Resale.....	5,865,287 92
Deficit on Capital Investment.....	\$ 40,656 86

ESTATES AND FORECLOSURES—LAND SALES—NUMBER OF UNITS SOLD AND OFFERS ACCEPTED TO MARCH 31, 1924

District and Province	Class 1 Completed Cases	Class 6 Land Sold (S. and E. not Sold)	Class 3 Land Sold (Documents not Completed) S. and E. Sold	Offers Received and Accepted	Total Units Sold and Offers Accepted
Vancouver.....	190	1	11	7	209
Vernon.....	66	.....	5	3	74
British Columbia.....	256	1	16	10	283
Calgary.....	108	15	16	11	150
Edmonton.....	223	3	47	15	288
Alberta.....	331	18	63	26	438
Regina.....	99	6	13	3	121
Saskatoon.....	80	11	14	14	119
Prince Albert.....	46	1	5	11	63
Saskatchewan.....	225	18	32	28	303
Manitoba.....	160	9	2	7	178
Ontario.....	149	9	8	16	182
Quebec.....	103	2	2	3	110
New Brunswick.....	57	20	.....	10	87
Nova Scotia.....	34	8	1	1	44
Prince Edward Island.....	37	8	.....	2	47
Maritime Provinces.....	128	36	1	13	178
Dominion Totals.....	1,352	93	124	103	1,672

SUMMARY

Cases completely sold out.....	1,352
Less Land Sold—Documents not completed, etc.....	124
“ “ “ (S. and E. not sold).....	93
Offers received and accepted.....	103
Total Units Sold and Offers Accepted.....	1,672

ESTATES AND FORECLOSURES—LAND SALES AND OFFERS ACCEPTED

	Cost Price	Selling Price	Surplus
	\$ cts.	\$ cts.	\$ cts.
1,352 Cases Completely Closed out.....	4,469,296 77	4,973,593 80	504,297 03
124 Cases Land Sold Documents not Completed.....	385,187 60	426,479 12	41,291 52
93 Cases Land Sold S. and E. not sold.....	338,225 41	362,559 00	24,333 59
103 Cases Offers Received and Accepted.....	344,280 90	394,256 01	49,975 11
Total 1,672 Units of Land.....	5,536,990 68	6,156,887 93	619,897 25

APPENDIX No. 6

COST OF ADMINISTRATION

Nature of Expenditure	1922-1923	1923-1924	Total
	\$ cts.	\$ cts.	\$ cts.
<i>General Expenditure—</i>			
General Office Expenses.....	75,498 38	63,527 56	139,025 94
Travelling Expenses.....	52,957 86	60,679 61	113,637 47
Salaries.....	680,213 16	601,177 86	1,281,391 02
Printing and Stationery.....	32,323 54	31,364 08	63,687 62
Legal Expenses.....	29,693 73	24,684 68	54,378 41
Miscellaneous.....	7,194 99	.....	7,194 99
Total General Expenditure.....	877,881 66	781,433 79	1,659,315 45
<i>Agricultural Supervision—</i>			
Travelling Expenses.....	284,509 82	241,125 34	525,635 16
Salaries.....	503,967 33	450,794 45	954,761 78
Motor Cars.....	40,242 39	37,421 46	77,663 85
Miscellaneous.....	7,436 25	21,265 77	28,702 02
Total Agricultural Supervision.....	836,155 79	750,607 02	1,586,762 81
Total General Expenditure.....	877,881 66	781,433 79	1,659,315 45
Total Agricultural Supervision.....	836,155 79	750,607 02	1,586,762 81
	1,714,037 45	1,532,040 81	3,246,078 26

SUMMARY

Expenditure from Inception to March 31, 1921.....	\$ 5,897,930 88	
Fiscal Year 1921-1922.....	2,062,715 27	
“ 1922-1923.....	1,714,037 45	
“ 1923-1924.....	1,532,040 81	
	11,206,724 41	
Pay and Allowances to March 31, 1922.....	\$ 223,387 99	\$ 11,206,724 41
Training Centres and Home Branch Short Courses to March 31, 1922..	98,592 34	
		\$ 321,980 33
Net Amount Administration Expenditure.....		\$ 11,528,704 74
<i>Other Expenditure (Not strictly administrative)—</i>		
Cost of Settling Indian Soldiers—Department Indian Affairs.....	\$	8,800 69
Bonus Payments to March 31, 1924.....		861,993 91

STAFF

The number of staff at head office and districts, including those employed in the field at March 31, 1924, was 625.

The peak load was reached in June, 1920, when the total staff of the board was 1,579.

Since June, 1920, up to March 31, 1924, the staff has been reduced by 954 or 60.4 per cent.

The staff as at March 31, 1924, was distributed as follows:

District	Male	Female	Total	Salary Cost (per annum rate)
				\$
Vancouver.....	36	11	47	76,300
Vernon.....	22	6	28	47,680
Calgary.....	43	19	62	93,940
Edmonton.....	56	22	78	122,820
Regina.....	38	13	51	78,780
Saskatoon.....	33	12	45	68,130
Prince Albert.....	25	12	37	58,040
Manitoba.....	50	21	71	106,110
Ontario.....	29	12	41	66,220
Quebec.....	6	6	12	17,190
St. John.....	21	8	29	44,540
Head Office.....	92	32	124	216,290
Dominion Totals.....	451	174	625	996,040

Of the Total Number of Staff, 72.1 per cent are Males.
Of the Total Male Employees, 96.2 per cent are Returned Soldiers.

COMMITTEE ROOM 436,

HOUSE OF COMMONS,

WEDNESDAY, May 21, 1924.

The Special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers, met at 11 o'clock, a.m. the Chairman, Mr. Jean J. Denis, presiding.

The CHAIRMAN: Miss Macphail and gentlemen, although the Committee is not very numerous, I think we shall proceed now. The clerk has some communications to report.

The CHAIRMAN: These communications will be referred to the sub-committee. Now, we have General Griesbach present this morning; he has been invited to make a general statement about pensions and land settlements and so forth. It has been known for some time that General Griesbach had a statement to make, and we have invited him to come this morning; I will therefore ask him to make his statement now.

Major General W. A. GRIESBACH, a Member of the Senate, called.

The CHAIRMAN: It is understood that General Griesbach is only making a statement and is not giving evidence; in view of that fact he will not be sworn.

The WITNESS: Mr. Chairman, Miss Macphail and gentlemen; such qualifications as I may have for addressing the Committee are based upon the fact that during the war some 25,000 men passed through my hands, covering nearly the whole of Canada, perhaps with the exception of the Maritime Provinces. Since the war, by reason of the fact that I have been a Member of the House of Commons and a Member of the Senate, men from all over Canada write to me or come to see me in connection with the various problems with which they are confronted. With respect to the pensions, civil re-establishment, hospitalization, soldiers' re-establishment, and matters of that sort. It is growing out of this connection that there are some matters upon which I feel very strongly, that I feel it is my duty to bring before you in the light of the experience that I have had. I may say that I have not yet had the opportunity of reading, if it is in print, the last report of the Ralston Commission. It is just possible that some of the things which I shall refer to are covered by that report. The first point which I would like to bring to your notice is the desirability of making provision for the re-establishment of the widow's pension in the case of the widow who marries a second time. That is to say, she is entitled to a pension with respect to her deceased husband; she is in the enjoyment of that pension and she marries again. Under the law as it now stands she receives a form of gratuity of one year's pension, and then she goes off pension. With that I do not disagree at all. She has now made provision for herself by taking a second husband, but should that second husband die the law as it now stands leaves her without any pension at all. She cannot go back on pension. Now, I find in the Mounted Police Act, provision is made for just such a case. If a woman enjoying a pension with respect to her deceased husband marries again and the second husband dies, she immediately goes back on the pension which she previously had. I do not think any argument is needed to show that such should be the law with respect to the pensioners under the Pension Act. The method of the pension is to care

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for the widow. A second husband undertakes the task for a while, and he dies, and her position then is just what it was when her first husband died. The fact that such a law now exists in the case of the Mounted Police pensions goes to show that the matter has received consideration. I strongly urge upon this Committee the desirability of bringing in an amendment to our present pension law to provide that the widow who upon the death of her second husband shall be restored to the pension she enjoyed by reason of the death of her first husband.

Then there is another matter to which I would like to draw attention, with respect to widows, and it is this. The law as it now stands requires that the pensioner shall present himself for medical examination at stated periods, either once or twice a year. Take the case of a woman, a wife and children whose husband and father is in receipt of a pension. According to the law the wife and children have an interest in the combined amount of the pension. There are cases in which the husband disappears. He can disappear under a variety of circumstances. Let me give you one case coming under my observation in which I am interested, the case of an officer who had, by the way, a very good record overseas, and was very severely wounded and suffered from a permanent disability; at least, what I would consider a permanent disability; that is, there was no chance that he would subsequently have restored to him his full vigour. Although this man had a very good record overseas he was a very bad character. He left Edmonton and came to Montreal where he secured lucrative employment, but it was not long before he got into trouble; he stole the funds of his company and he fled the country, and is now, I believe, in the United States with a criminal charge hanging over him in Canada. Obviously, he cannot return and will not return for the periodical examination, and he has left a wife and child stranded in Edmonton. The woman has had to go to work again, and the child is now about 5 or 6 years of age. The Board of Pension Commissioners will not pay the pension beyond the date when he failed to present himself for re-examination. The result is that the pension is cut off for the reason that the man has not presented himself for examination. The woman is left stranded. That is one case where the husband disappears. There is another case in the neighbourhood of the city of Ottawa. A man is in receipt of a substantial pension for a disability more or less permanent. Some time ago he disappeared completely, simply disappeared; nothing has been seen or heard of him since, and his wife is of the opinion that it is the result of his disability, his suffering from mental trouble. Just the other day a body was found in the neighbourhood of Ottawa which was thought to be the body of Small, the man who disappeared some time ago from Toronto, and at the moment this woman's brothers are examining the body with a view to finding out whether they can certify that it is the body of Alexander, the man who is missing, but in the meantime the Board of Pension Commissioners take the ground that if this man Alexander does not present himself for medical examination at the date mentioned, the pension must be cut off. As a matter of actual fact, the Board of Pension Commissioners are acting with a great deal of sympathy in the matter, and the pension has not yet been cut off.

Mr. CARROLL: May I ask a question? Supposing that man had died a natural death after having been examined say a month ago, would the pension still be continued?

The WITNESS: If he died from disability with respect to which he is entitled to pension, the widow would be entitled to widow's pension. If the man's body could be found in this case, and identified, it probably could be proved that he first of all went out of his head as a result of his disability, and he then wandered off and died as the result of his action, and in that case she would be entitled to a pension, but it is a matter that I think ought to be looked after

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by suitable legislation. Those are two cases of disappearance of a husband; one case where he is a criminal and flees the country, and there is another case where he gets tangled up with another woman and bolts with her, and then there is the man who simply disappeared, and there might be a dozen forms of disappearance. The answer made by the Board of Pension Commissioners is a very reasonable answer. If they find out that a man has suffered from a disability which was gradually getting better, and in the distance the time could be foreseen when his disability would be cured and he would cease to be a pensioner altogether, but realizing that fact he would conspire with his wife to disappear, and they say that if there were legislation of the sort which I suggest to cover the case, that these cases of conspiracy between the man and his wife would frequently arise, and that the State would suffer thereby. Well, it seems to me that legislation could be drawn to cover these points and to protect the State. Regard can be had for the nature of the disability. If the disability is a more or less permanent one, as determined by examinations, frequent examinations, and if the causes of the man's disappearance are known, the fact that had he remained in Canada he would have been entitled to some pension, it seems to me it would be possible to give to the Board of Pension Commissioners a discretion by legislation which would enable them to deal with these cases. Those are two cases I have before me; one is the case of a man who gets into trouble and flees the country, and the other is a case of a man who simply disappears and in both cases the women who are left are left to face the world without any support at all. Just in that connection I would like to mention a thing that came to my notice in this case. This woman, Alexander, will shortly have her pension stopped, because her husband has disappeared; nobody knows what has happened to him. She has made application against the suspension of her pension to the Mother's Allowance local board in Ottawa, and they returned this somewhat extraordinary reply, having regard to all the facts. "I am sorry that you do not seem to be eligible since your husband has been away only two years." In the previous part of the letter it says that the husband must be away for five years before the woman can be eligible. I am not prepared at the moment to say just exactly what sort of legislation there should be. Indeed, it is a matter of very great difficulty; in fact, I think it quite improper to draft legislation to cover particular cases. What I suggest is, and I shall discuss the meritorious clause in a moment, is that there should be legislation giving to the Commissioners or to some person, some discretionary power in matters of this sort.

Now I shall discuss the meritorious clause. Last year, as you know, the Ralston Commission sat and brought down their report. From that report the Government introduced a bill into the House of Commons with respect to pensions, insurance, and civil re-establishment, dealing with appeals. In the House of Commons there were 5 or 6 amendments introduced by members of the House, and either accepted by the Government or acquiesced in by the Government, and which became part of the bill that reached the Senate. It was obvious to those of us who have made some study of the matter that the amendments made in the House of Commons, of the bill as brought down by the Government were amendments introduced by private members to cover a particular case of which they had knowledge. That is in my judgment a very unsound and dangerous course to take, because while the private members may succeed in bringing down legislation that will cover in a satisfactory manner the case which he has in his mind, there is the great danger that when applied to the mass, the legislation will prove more or less ineffective and perhaps let the State in for a very heavy expenditure with respect to a class of individuals not deserving of very much sympathy, and so the Senate Committee decided to recommend that all those amendments introduced by private members of the House of Com-

mons, and not provided for in the Ralston Report, in those, concurrence should be refused. It was felt, however, that with respect to the cases which were designed to be covered by these amendments, some action should be taken by the Senate, and to that end those of us who were interested brought down a proposed amendment, which we called the "Meritorious Clause" and the Meritorious Clause reads as follows:—

"Section 12 of the Pension Act, as amended by section 4 of Chapter 62 of the statutes of 1920, and by section 2 of Chapter 45 of the statutes of 1921, is further amended by adding thereto as subsection (2) the following:—

"(2) Any individual case which, in the opinion of the majority of the members of the Pension Board and the Appeal Board acting jointly, appears to be especially meritorious and for which in said opinion no provision has been made in this Act, because such case did not form part of any class of case, may be made the subject of an investigation and adjudication by way of compassionate pension or allowance irrespective of any schedule to this Act."

Now, the purpose of this Meritorious Clause was to give power to the Board of Pension Commissioners, and the Board of Appeal, acting jointly to deal with cases of especial merit, cases not otherwise provided for. I draw your attention to the fact that this pension legislation reached the Senate in the last hours of the Session, when we were compelled to proceed with speed, and consequently with a lack of certainty, and this clause was deemed by those of us who had it in hand, to be sufficient to cover the ground. Now, we find that it is not. I have here a letter from the Board of Pension Commissioners which gives their interpretation of the Meritorious Clause in a certain case which I brought before them. Let me just say what this is. This is the case of a man who had some 20 years military service prior to the war; a very fine character who has always devoted a great deal of time to military work. When the war broke out he placed himself at the disposal of the military authorities and was first of all engaged in construction work. I may say he passed a perfect examination when he joined the Expeditionary Force, and so he was put in construction work for a while, and then he was sent to England where he was used in the Quartermaster's Department engaged in working at small figures, with a pen, checking up returns and so forth, usually in a bad light and with poor accommodation. Then he was re-examined and during 1917, when they were combing out the sick men from these departments, he was sent to France where he served some 18 months in active warfare. His eyes began to go bad in England; that was noticed on his examination in 1917, that his eyes were in bad shape, and his eyes continued to grow worse. He nevertheless finished his service, but to-day is totally blind, absolutely sightless, and he has been awarded a pension of 15 per cent. He is a man with a wife and 2 or 3 children, and he has been awarded a pension of 15 per cent on the ground that with respect to his whole disability of total blindness, 15 per cent thereof is due to his military service. That, of course, is a matter of medical opinion. All of us who know the man are quite satisfied in our own minds that if he had not gone to the war he would not have been blind at all. Now, against medical opinion, the opinion of a layman does not amount to a hill of beans, but the feeling among all our people is that the man suffers from that disability because of his war service, and he has been given a pension of 15 per cent. It was with respect to this class of case that the Meritorious Clause was enacted by the Senate last year, and concurred in by the House of Commons. I am going to read you the interpretation given to the clause which I have just read, and handed in to the reporter, the interpretation placed upon this clause by the Board of Pension Commis-

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sioners in respect to this particular case. "I am instructed to acknowledge the receipt of your letter dated the 26th instant, and to inform you that members of this Board and the Federal Appeal Board met on two occasions for the purpose of considering cases which might be deemed to come properly before them under the terms of the clause of the Pension Act to which you refer; that is, Section 12, subsection 2. Here is the interpretation: "A close reading of the Pension Act forced the members of the joint board to the conclusion that a compassionate pension or allowance could be made only in cases where pension had been refused because the death or disability of the member of the forces was due to improper conduct. It was afterwards decided that even under that restricted interpretation of the enactment no action would be possible by the joint board on account of the words used in the enactment "because such case did not form part of any class of case."

I brought your attention to the fact that in the Meritorious Clause to which I have referred those are the words we used, "because such cases do not form any part of any class of cases". When we drafted this amendment last year we thought that by using those words we were covering the very particular cases which we had in mind but the interpretation placed on the clause now goes to show that by using those particular words we excluded the individuals which we had in mind.

I do not think any one will disagree with me that there ought to be some such clause which we call the Meritorious Clause, a clause which will give to the Board of Pension Commissioners discretionary powers. Now, I agree that it is not a good thing to give to anybody discretionary power if it is possible to legislate with exactness. Legislation should always be exact, but when you are dealing with what one may describe as "human interest" cases, there must be an exercise of discretion. I do not ask for what a great many ex-service men ask for, a sympathetic interpretation of the law. I disapprove of that proposal. The law should be interpreted as the law is, and according to the well-known principles of the interpretation of law. We should not have to ask for sympathetic interpretation, we should ask for an interpretation of the law as the law is, and if the law is not right we should change it; but with respect to a class of cases which it is not possible to foresee, which have not been foreseen, it seems to me there is no other method by which substantial justice can be given than by the enactment of a general clause conferring some general powers of discretion upon some person. Now, I do not propose to tell the committee how that can be done; I do not know that I am in a position to do so, but I do think the matter merits your serious consideration, and I do think that if you can draft a clause which will enable the Board of Pension Commissioners to give assistance, aid, arrange allowances, or otherwise help a great many deserving people who simply cannot comply with any of the specific sections of the Act, you will be doing something of great benefit to a great many people who, by reason of the fewness of their numbers, by reason of the fact that there are not enough of them to unite to get a definite line of action, are more or less represented in these discussions and unspoken for and not considered at all.

Mr. CARROLL: May I ask if the Pension Commissioners make any difference between a case which has been aggravated by service and a case which actually happened owing to service? Take the case of that blind man you were speaking of. Once they admit 15 per cent disability, they must either admit aggravation in that case due to service, or that he actually went blind owing to war service. Do they make any distinction?

The WITNESS: I have the correspondence here; it has been going on for a long time; I have had it in hand for about two years. They say it is true

that the man is totally blind. Medical evidence says, with respect to his total blindness, that 15 per cent of his blindness is due to his military service.

Mr. CARROLL: Then it was aggravated by military service?

The WITNESS: I should think so.

Mr. CALDWELL: Is it not a fact that in the medical examinations, eyesight was one of the things that had to be almost perfect before the man was passed?

The WITNESS: Yes.

Mr. CALDWELL: That was one of the things that we could not allow to go through, or that they could not allow. That is, a man was not accepted unless his eyesight was good?

The WITNESS: Yes.

Mr. CALDWELL: If there were any defects, he was actually turned down.

The WITNESS: Yes, but I think in this case they think there were other causes which worked towards bringing on the blindness, and would have worked anyway. That is their contention.

Mr. CALDWELL: Those causes were at work at the time of enlistment?

The WITNESS: Probably so, and subsequently.

Mr. CALDWELL: If there were nothing apparently ailing the man, is it not hard to go back and presuppose that there was something the matter?

The WITNESS: They do it, though. I do not object to that. I want to see this done according to law, and I want to see the medical people given a full opportunity to bring forward their special knowledge and information, but when it is all done—.

Mr. CARROLL: I do not think they are bringing into effect the law in that case, at all.

The WITNESS: When it is all done and the law is in effect and the medical people have given their evidence, and a deserving man is badly provided for, I want to see somebody with power to deal adequately and justly with that man, and I think it may be done through the medium of this clause, properly tinkered up. The name of the man whose case I am particularly interested in as representing this feature of it is Regimental Number 436189, Corporal Olie Hogan, whose address is Edmonton, Alberta. I have another case here which I will not put on the record of a very similar sort of man who is now paralyzed and blind. Passing from the Meritorious Clause, there is just another slant I want to bring to your notice.

Mr. SPEAKMAN: A few minutes ago you were suggesting that we should have a clause to give the Board of Pension Commissioners power to pay pensions to dependents of men who disappeared under certain circumstances. During the last session of the House of Commons, if I remember rightly, such a clause was added to the Act, and it passed the House. It reads as follows: "Provided, however, that the Board of Pension Commissioners shall have discretion to pay the pension to any person who was being, or was entitled to be, supported by the pensioner at the time of his last examination". That is an amendment to Subsection 2 of Section 26 of the Act. My recollection is that that was intended to cover the cases to which you are referring, but it was defeated by the Senate.

The WITNESS: These clauses, I told you, were clauses introduced by private members of the House, and were not clauses which were covered by the Ralston Report, and consequently it was argued against that clause that it threw the gates wide open.

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Mr. CALDWELL: It gives the Pension Commissioners discretion absolutely, and more than that I know the statement was made in the Senate at the time that this had not been considered by a Committee of the House, but this clause was before a Committee of which I was a member for three years in succession.

The WITNESS: I said before you came in, Mr. Caldwell, that this bill came to the Senate in the closing days of the Session, and was referred to a Committee which sat from 10 o'clock in the morning until sometimes 1 o'clock at night, and there were some pretty warm discussions, and as a matter of actual fact I may say there was not time to go into these matters, and it was agreed that the clauses which were brought in by private members should be stricken out, and that this Meritorious Clause, upon which we put our faith, would cover the ground in all the cases. There was a case of a widow,—no, a mother whose two sons were killed in the Imperial Service, and whose husband had now become completely paralyzed. The proposal was brought in by a friend of mine in the House of Commons that she should get a pension, because her husband was no longer of any use. It was argued, however, that if that were done there was going to be no limit to the applications the Government would be laid open to. I agree that the clause you speak of, might, upon consideration, fill the bill, but it was considered to be a dangerous clause for the reason that it was brought in by a private member, and not covered by the report, and there was not time to discuss it.

Mr. CALDWELL: It was considered as a clause put in without consideration, and was so considered by the Senate without giving it any discussion?

The WITNESS: Practically so.

Mr. CALDWELL: In view of that fact, how do you justify the amendment moved by yourself on the third reading of the Bill which did not even have time for discussion in the Senate?

The WITNESS: Which one is that?

Mr. CALDWELL: A very important one; it is the amendment to clause 11, and reads as follows: "Upon the evidence and record upon which the Board of Pension Commissioners gave their decision, an appeal shall lie in respect of any refusal of pension by the Board of Pension Commissioners on the grounds that the disability resulting from injury or disease or the aggravation thereof or that the injury or disease or the aggravation thereof resulting in death was not attributable to or was not incurred during military service," that provides that an appeal shall only lie as to attributability. For instance, in the case of a blind man, if they allowed attributability, and allowed him 1 per cent disability, he cannot appeal. Do you get the point? He can only appeal on the question of disability, but not on the degree of pension, and I think after all that is the most important cause of complaint among the soldiers to-day. This was moved within about 5 minutes of the Bill getting its third reading.

The WITNESS: The story of that Bill in the Senate is an interesting story which I do not care to go into at the moment. The fact is that at the last moment we had a row in the committee and the Chairman of the committee threw up his papers, refusing to go on with the report of the committee, and I was obliged to take charge of the Bill, although not in support of the Government, and carry it through subject to certain amendments that had been made under circumstances of considerable difficulty. If I had not done as I did, the whole Bill might have been rejected by the Senate. The discussion will be found in Hansard; some of the harsh words have been deleted from Hansard, but if you will read the report of the Senate Committee you will see what action we took on clause 3 of the report.

Mr. CALDWELL: Yes, I read it.

The WITNESS: I had to take the report and do the best I could with it in the short time I had, otherwise the whole thing would have been lost.

Mr. CALDWELL: From my reading of the Hansard it looked to me as though you were the man that was objecting most strongly to the amendments made by the House.

The WITNESS: No, that is not so.

Mr. CALDWELL: Then if you care to have your memory refreshed—

The WITNESS: If the Committee is sufficiently interested I do not mind going into it to some length. The fact of the matter was that the Bill was referred to a Select Committee, and the Select Committee began to take evidence as though they had a month at their disposal; suddenly they found that prorogation was on them. I was asked in the committee if I would bring in any amendments. I had expressed my disapproval of the report.

Mr. CALDWELL: If I might I would just like to read one short paragraph.

The WITNESS: I think I would just like to finish my statement, and we will see whether it fits in or not. It may not just fit, but I will try to make it fit, anyway. I expressed my disapproval of the prime clause of the report, what we called the "meat" of the report, which was in the opening paragraphs, and which dealt with the question of whether pensions were to be awarded to the service principle, or the insurance principle. Need I discuss that? I think the committee can quite understand it. The Bill as brought down sought to re-establish what we called the Insurance Principle, with which I was in agreement, as you will find by my speech in the Senate. That was in my judgment the "meat" of the Bill. Then we wrangled about this thing, that is to say, until we found prorogation upon us—

Hon. Mr. SINCLAIR: Prorogation does not come until Parliament is through.

The WITNESS: That is all very well, but everybody has bought their tickets and sleepers, so what can you do?

Mr. CALDWELL: You can always cancel them and get a refund. That is not as important as the business of the country.

The WITNESS: At all events, the point whether we would agree to the Bill or report against it. I stated that I agreed with the Bill. The committee, however, disagreed with the Bill and determined to bring in a report to strike out that clause of the Bill, and leave the Due-to-Service principle to stand.

Mr. CALDWELL: That would mean, "Due to Service as such."

The WITNESS: That is what it means.

Mr. CALDWELL: That was included in the recommendation?

The WITNESS: Due to service as such service.

Mr. CALDWELL: The words "as such." Do you get the full import of them?

The WITNESS: Yes.

Mr. CALDWELL: The Senate inserted those two words, "as such" to our amendments last year, and it was later cut out on a protest of the House.

The WITNESS: I was asked if I was going to make a minority report, and I said "No," I would not. I was asked if I would divide the House and I did not know whether I could divide the House or not. I did not know enough about the procedure to know if the House would be willing to divide, and I said "No." Then the report was hardly finished when we went to the House with it. When this clause came before the House I rose and made the Speech which you will find reported there, on that clause. I must have made

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a pretty good speech, because the House seemed to divide itself without any trouble. This matter was put to a vote, and the House did divide. The members of the Committee who in the Committee said they would support the report did so, but the ex-service members on the Committee, some 5 or 6 of us, followed by a great majority of the House, took the view that the Insurance Principle should be re-established as provided for in the Bill. The rest of the report of the Committee was based largely upon that clause, striking out the Insurance clause, and leaving the law standing as it was, that a man could only get a pension if his disability were due to service.

Mr. CALDWELL: "As such"?

The WITNESS: I attach no importance whatever to those words.

Mr. CALDWELL: I am sorry you do not.

The WITNESS: Due to service, due to military service. He had to be injured while on military service before he could get a pension. Then there was the row, and the Chairman of the Committee said, "The amendments on which I am here to speak are all contingent upon this clause which the House rejected. In view of that fact I refuse to go on" and he laid his papers on the desk. Then the Members of the House accused each other and accused me of double dealing and double crossing, and so forth, and the discussion continued until 6.30, when the House rose. I remember the Members were very much worried as to the vote on the Bill. At 8 o'clock the Chairman of the Committee stated he again refused to go on with the Bill, so I took charge of the Bill myself, being more or less responsible for the trouble, and being perhaps better acquainted with the whole business. We had to go on with it and make the best of it, and do the best we could with the time at our disposal, and we had to fit in the report of that Committee with a great deal of which I agreed, and that was the difficulty. We only had at our disposal from 8 o'clock that night till 12 or so, and I am surprised to find that so much of the Bill hangs together as it has, under the circumstances.

Mr. CALDWELL: What do you mean?

The WITNESS: I am not sufficiently skilful as a legal draftsman to know what to do, but I did the best I could with it.

Mr. CALDWELL: I would just like to quote this paragraph in view of the statement by the witness.

"With respect to these three Bills, these facts were disclosed. In the first place, we learned that these Bills had been prepared by the Government without reference to some of their responsible officials, and with very brief and cursory reference to other officials. These Bills were not considered by any Committee of the House of Commons. No member of that House during the discussion made any serious inquiry as to what these Bills would cost the country if put into effect; and no member of the Government volunteered any information to the House of Commons as to what the financial implications of those Bills were."

Now, in view of that fact, notwithstanding the fact that there was a number of members of this House who had been on the Pension Committee for three years previously, who had considered these things, the statement was made that these amendments were passed without any serious consideration, and the Senator himself admits that they built it all over in 4 hours in the Senate.

The WITNESS: No, the discussion in the House lasted from 4 to 6 hours, but I have already told you the Committee sat from at least 10 o'clock in the morning till sometimes 2 o'clock the next morning while the House was in session. There was the fullest discussion in the Committee, and my complaint is that there was a limited discussion in the Senate.

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I made these three statements in the Senate, and I repeat them now. I say there was not in the House of Commons on this Bill any discussion whatever which would bring out the financial implications of the Bill to the country. That was brought out in the Committee, and I have here a statement made by the various officials of the Government as to what these implications would be. The committee may have sat for 3 years. Quite so, but there is no evidence before me that these clauses were before the committee for the 3 years, and as a matter of fact there was no committee last year, when these Bills were brought in, and I question whether you could tell me at this moment—

Mr. CALDWELL: We had the report of the Ralston Commission before us.

The WITNESS: It did not estimate the financial implications.

Mr. CALDWELL: No, but in the evidence given before the Commission, that was brought out fully.

The WITNESS: By whom?

Mr. CALDWELL: By a representative of the Pension Board; I do not recollect who it was.

The WITNESS: I do not recollect that that was brought out, and I have the report of the Ralston Commission and other officials of the Government dealing with what these costs would be.

Mr. CALDWELL: We had all this, I will admit that we did not take the time of the House to put all that on record, but we had it anyway.

The WITNESS: There was no evidence before the Senate that this was on record; there was no evidence before the Senate that the House knew of it.

Mr. CALDWELL: And the Senate had no confidence to believe that the members of the House of Commons knew anything about it.

The WITNESS: I do not want to be drawn into a discussion as to that. I am dealing with what the record was, and there was no discussion in the House of Commons in Hansard before, showing that the House had gone into the financial implications, and I again make the three assertions which I made last year. I have my papers here from last year, but I want to get on with what I came here to do if I may.

I want to draw your attention to the case of the disabled soldier who has a disability for which he is pensionable. Now, when the Government brought down this pension legislation, it no doubt hoped and believed that it was making a just and generous allowance to these men, and in the vast majority of cases it was. But there is a type of man who does not receive the same benefit from pension legislation that others do. Let me give you an example, of a man in early middle age with a limited education, who has followed, previous to the war, a very active occupation, say as brakeman on a railway. A man in early middle age, with a very limited education, loses a leg. The Government gives him a pension to compensate him for the loss of his leg with respect to ordinary activity. In the earlier days they used to talk about "pick and shovel work" but I can think of no better example than this. There is all the difference in the world between that man's case and the case of an office man with the same pension, who lost the same amount of leg. The office man is very well compensated by his pension; he can still do the work he formerly did, and as far as his employer is concerned he quite probably gives the same service. But with respect to the man engaged in active manual labour of the sort I have mentioned, who is too old to learn a fresh occupation and has not an education to take up clerking work; he cannot follow his old occupation, and there is a class of men who are having a very very hard time of it to-day. A new organization is being formed of this class; I do not know how far it will get, but they are forming an organization known as the Brotherhood of Disabled Men. I

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am not prepared to say whether that situation is common to the whole country, whether it is permanent or whether it is temporary, but I do say that in all the large communities in Canada there is a class of men who are not as well benefited by the pension as others, and he can be defined as a man in middle age, with limited education, previously following an active employment. Just the other day I was reading in Toronto that they have proposed forming some organization, or that they have formed some organization, and they may make some proposals to this committee, or to somebody, that the Government do something to make up to that individual for the difference between his real value, and what his value might have been to the employer of labour. That is one solution which strikes me as being a fairly costly one. I do not know whether the condition is nation-wide, permanent, or temporary, but I can bear witness to this fact, that this particular class of men is not as well off as many others. The average middle aged man of limited education who previously followed an active occupation, is not as well off as men engaged in office work, or something of that sort. I think something might be done for them.

Then, passing from that, there is another matter which I have taken up with the Department; I am not very hopeful that you will be able to do anything, but there might be your sympathetic consideration. In the West where we have vacant land we have provision for the taking up of an extra homestead which we call the "Soldier Grant" of land. In some way, perhaps during the war, certain representations were made and the soldiers got the idea in taking up a grant, and the soldier grant, which would be 2 quarter sections, that the time spent on his homestead would also count on his soldier grant. I must admit that I also thought that was so, that a man who took up a quarter section of land as a homestead and a quarter section as a soldier grant, the work on the homestead would apply on the other, but found that the man had to put in the time on each piece of land to obtain his patent. He has to work 6 months a year for 3 years in succession on his homestead, and an equal time on his soldier grant. Some people think that they are usually adjoining, but it is not so. When the soldier came back he found the best land had been taken up within a reasonable distance, and it usually works out that the man takes up a quarter section of land as a homestead, and 7 miles away takes up a soldier grant, and in these hard times, and having regard to the general difficulties of re-establishment, he finds it very difficult to strawl over the two pieces of land. In fact, he finds that the strain which is put upon him to do so, and maintain himself and his family makes it almost imperative to throw up one or the other. Now, I have taken the matter up with the Department, and I have a long-winded letter showing why it cannot be done, and discussing the principles which underlie soldier grants, but it seems to me that this Committee might give the matter some consideration, and Major Barnett is here and might be able to throw some light on the subject.

Mr. SPEAKMAN: I would just like to endorse what you say about that. I have just received a very large petition from returned men asking that the duties be made concurrent.

The WITNESS: I just want to pass on now to the last thing. The last matter which I want to discuss is the matter of soldier settlement. I made a speech on that subject a few days ago in the Senate, and what I have to say now is merely a repetition of that. I am not going to discuss at any length the question of whether the scheme was good or bad. The thing to do now is to do the best we can with it. I desire to draw your attention to the fact that I am only speaking now for the part of the country with which I am familiar, that is the northern and central part of Alberta. I have lived there all my life and am familiar with it, and I think I do know something about

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values there. In 1919, or thereabouts, when this scheme was launched, I might point out that questionnaires were sent around during the war, in fact, in the middle of the war, in which men were asked what they would like to do in civil life. Thousands of men put their names down for farming. One can quite understand that, a man being shot at from morning till night for months at a time, and living in filth and squalor, and under conditions of great difficulty and great danger, would probably feel that a nice quiet little farm on the north bank of the Peace River would be about the best thing he could think of, so thousands of men were predisposed towards going farming, who did not have much training or adaptability for the job. I fear many men of that sort did go in for it. In 1919 they found that everything in our part of the country had become high priced; horses were selling at tremendous prices, \$500 for a team; \$150 for a 3-year-old cow, and so on, and land values were away up. It is difficult to say what the value of land is in our country, but from \$20 to \$30 an acre was quite a common price for land within 5, 6 or 7 miles of a railroad station. Up in the Grand Prairie country, I suppose the Soldiers' Settlement Board got land for all the way from nothing to \$15 and \$20 an acre, but to-day if we could locate a \$35 an acre farm, that farm could be bought for \$15 an acre largely, and in the Grand Prairie country in particular, cows were selling up there for \$12 apiece, the very same type of animals that \$150 had been paid for. There has been a tremendous slump in land values and in the value of stock in our country. I think it is only temporary, and it will come back. Perhaps the prices were too high when things were bought.

Mr. CALDWELL: It will probably never come back to the peak prices of 1920?

The WITNESS: No, I expect not.

Mr. CALDWELL: Would you expect it would come back to two-thirds of that?

The WITNESS: Perhaps about that. \$75 was a good price for a cow in 1913, an ordinary cow. Well, these men are loaded up with their high priced land and stock and many of them are very disheartened and they look at the thing this way. Of course, there is a certain type of individual I have come across who does not pay anything, and does not intend to pay; he feels that he can get along somehow and apparently he does not worry very much. But there are a lot of ambitious fellows who would like to get into a proposition they could see their way out of, and they cannot see their way out of this present situation; they do not see how they can get out having regard to the cost of production, having regard to the prices that are paid; these fellows who are alert and alive do not see how they are going to come out, and some of them are getting out the best way they can. They are deserting the land, they are simply pulling up and getting out, and I fear that more of them will be doing the same thing, and I think something should be done. I am satisfied in my own mind that the Government has to take a loss. That is the place where the discussion should begin. A lot of very splendid enthusiastic fellows held the view that the thing was going to be a great success, but of course it is obvious to any thoughtful man that such is not the case. There were two classes of men who went into this thing, the fellow who could succeed in a good scheme and the fellow who could not succeed in any scheme, and with respect to the last class, their losses would not be made up by the success of the other fellows, because they only pay back what they borrowed. There is the loss, and there is no way that I know of salvaging that loss, and to-day the scheme consists of men who have succeeded and have deserved to succeed; a lot of men who have deserved to succeed but have not, and a lot of men who never could succeed. Then the question is, how can the Government escape with the smallest possible loss?

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Mr. CALDWELL: Would you say that the last class is the smallest one?

The WITNESS: It is just a small percentage of the whole. In every part of the country great care was exercised in 1919 in getting them, but in our part of the country it was a scandal, it was an open disgrace. For a time they had a very good selection board, consisting of loan company managers, but after that they had two individuals who had never farmed themselves, considering, whether a man should be a farmer or not; they were Mr. Irving and Mr. Dace, neither of whom had ever farmed themselves.

Major BARNETT: Mr. Dace was on the loan end of it.

The WITNESS: Yes, and he has now fled the country and has been gone for some time. I know officials tried to stop that, but there was a current and a tide of weakness all along the line. At all events, the money was shovelled out with a scooped shovel to these men and a lot of men are not fit to have it. If anyone tells you there is not going to be a loss, don't you believe it. There is going to be a loss, and a large loss, and the question is how are you going to overtake it? Now, I do not know that I can cover it, but it does seem to me that you will be doing something for the country if you will so legislate as to keep these fellows on the land and let them wriggle through somehow.

Mr. ARTHURS: Granted that these loans in the first instance were more or less a bonus to the soldiers, how would you justify any further amount of bonus as good under any plan of re-organization?

The WITNESS: I do not justify it at all. If you are sinking in the river, you get a plank or a boat or anything to get out, without discussing the principles involved. You are faced with a loss; of that there is no doubt; let us see how we can get out of it with the least loss to the country. I do not ask for an immediate revaluation; I think we should proceed more or less cautiously, but I am asking that there shall be an inquiry; not an inquiry of the enthusiasts who say it is a fine thing and is going to work out, but a more or less independent inquiry to determine firstly whether the conditions of which we are told are widespread. Did this happen all over Canada, or only in the part of Canada with which I am familiar? I hope that is so, but I am afraid it is not. If it is widespread, the situation is very much worse. No matter how it is, let us have an inquiry, and let us see if we cannot pull something out of the wreck, and I think we can pull this much, that if you can bring about a revaluation, you are keeping a lot of men on the land; you are giving them faith, hope and courage. If you continue as you are, then all the wise birds will come to the conclusion that they cannot make a go of it, and they will quit.

Mr. CARROLL: Lose everything.

The WITNESS: They will take everything they have and turn it back to the hands of the Government for what they can salvage, and you will have lost a settler from the land. If there ever was any virtue in this scheme at all, it lay in the fact that you were settling the land. Just keep that point in view. I do not know just how far the revaluation would go, and I make no suggestion about it; I do not know enough about it. That conclusion can only be arrived at by means of careful inquiry, and it is that that I am asking for now, a general inquiry to see what can be done to salvage as far as possible the money that is involved, and in particular to keep the man on the land and to keep things moving until a better day dawns.

Those are the matters I wanted to bring up. I have to thank you, gentlemen, for the opportunity of appearing before you. That is all I have to say.

Witness retired.

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The CHAIRMAN: I think I am expressing the views of the committee by offering our thanks to General Griesbach. His address has been very interesting and very instructive also, and I can assure you that as far as I am concerned, and I know it is the opinion of the Committee also, that the recommendations will be gone into very thoroughly and examined very carefully. There is no question about it, everybody knows that these laws that relate to the soldiers need amendments. It is in the nature of things that it should be so. No law can be had on subjects and matters so complicated as these that can be perfect and that does not require amendment practically every year, I might say. Again I must repeat that General Griesbach, with his very wide experience indeed, was in a very particularly fit position to advise the Committee and make recommendations. Now, I do not know whether the members of the Committee would like to ask any further questions of General Griesbach after his address. If there are no more questions we will proceed with Major Barnett. Proceeding with Major Barnett's evidence, the Committee will recall that at our last meeting Major Barnett was called upon to produce a statement regarding the statistics of the Soldiers' Settlement scheme. This statement has been produced and is now attached as an appendix to the proceedings of the committee on May 14. Those members of the Committee who have read these statistics must have found them very interesting, and very illuminating indeed. These statistics complete the general statement which was to be made by Major Barnett. As I have already said Major Barnett had a general statement to make, and he had a further statement to make regarding this project of revaluation. I suppose we could now proceed with the general statement, and I would ask the members of the Committee to keep any questions they may have until he has first finished his general statement.

Major JOHN BARNETT, recalled.

Mr. ARTHURS: I would like to ask about the land sales and the selling price. Does that represent the whole of the land which had come into the possession of the Government during these years, or is there any considerable proportion of these lands unsold on account of the offers for them being considerably below what the Government paid for them? It would appear in your statement that the lands were sold at a much higher price.

The WITNESS: I want to deal with the question Senator Griesbach just raised, which was also raised by Mr. Brown at the last meeting of the committee, as to what loss this is going to involve the public in. Now, of course, if you take the attitude that our figures are of no value, it is not much use in speaking to a man who takes that attitude. Our statements are all included in this appendix to the report of the proceedings of the Committee. Our total salvage cases, the total abandonments, number 4463. Of these we have resold or have accepted offers for 1,672, leaving 2,791 undisposed of. Of that 2,791, 808 are Dominion lands for which nothing was paid and which will undoubtedly in the aggregate return a surplus over the losses in stock and equipment. There can be no deficit in the aggregate, and then there are many cases where we advanced only 50 per cent of the value of the property, you see, for removal of encumbrance. In some cases we advanced scarcely anything, and the mortgage is a charge for buildings or stock and equipment and was advanced to the settler, leaving 1,983 purchase cases, cases of purchased land that are on our hands and are undisposed of. Of these 1,983, 800 have returned to us in the last 12 months, and we have had no opportunity to sell them. We do what a loan company does not do; we count them back on our hands the moment we put in a stock-payment notice, the moment we know the settler has gone. The loan company does not count it on its hands until it has been on its hands 6 months, so there are really only 1,100 purchase cases that you can talk

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about that are on our hands now. With regard to those cases that we have disposed of, the 1,672—I am not going into it from the viewpoint of the soldier, but purely from the point of view of what the loss is going to be to the country. Of course, we expect credit for all the money the settler has paid in, and anything else we have received, because I am not dealing with it from the point of view of fairness to the settler, but rather from the point of view of what the loss is going to be to the country.

Mr. ARTHURS: This statement made by you and headed "Selling Price" includes repayment made by the soldiers?

The WITNESS: There is one statement there that does.

Mr. CALDWELL: Page 48, at the bottom of the page. I want to be quite clear on that.

The WITNESS: No, not on that. That does not include it.

Mr. CALDWELL: Which is the table which includes that?

The WITNESS: The table on page 46 includes that.

Mr. CALDWELL: In your summary on page 46?

The WITNESS: That includes it, too. That is right. Those are both the same. On page 46 you will see what is included there, "Actual Selling Price, Amount of Initial Deposits, Receipts from Rentals, Crop Sales" and so on.

Mr. CALDWELL: Just a moment; on page 46 of the summary, "Total cost of land and permanent improvements", would that mean the total cost including what the soldier paid, or is that just what the Government paid?

The WITNESS: That includes what the settler has paid.

Mr. CALDWELL: In this total cost of land and permanent improvements?

The WITNESS: Yes.

Mr. CALDWELL: They are your receipts?

The WITNESS: Yes.

Mr. CALDWELL: But the total cost of land means the total cost to the Government?

The WITNESS: Yes, that is only the cost to the Government.

Mr. CALDWELL: Before we get away from this, have you any table showing the total cost of the land, showing what the soldier paid as well?

The WITNESS: All you have to do is add the \$179,000 and you have got it. That gives it to you. I want to deal with it purely from this point of view. This is a statement as to the standing, from the public point of view. Now, including what we have lost on stock and equipment, the sales on these completed cases show a deficit, a capital deficit, of \$40,500. Then, adding to it the losses we have taken on insurance, taxes, on grubstakes, and things like that that we could not resell, because there was nothing to take back, the total loss on these 1,672 cases is \$375,000. Now, we have got 1,900 farms, purchase farms, that are back on our hands that we have to resell at some time. Assuming that our losses are going to be twice as great on these as on the 1,672, the double capital loss will only amount to one million dollars. We have, so far as we can tell from our figures, some 4,000 more settlers who are having difficulty. That is practically equivalent to the number who have gone to salvage. Some have made payments, but they are having a certain amount of difficulty, or at least are expressing certain amount of discontent. Now, supposing they all go to salvage, and assuming, on the returns we have, that the losses are twice as great as the losses on the ones that are not completed, the losses can only be Two million dollars. Supposing my figures are all out, the figures are absolutely certain so far as these completed cases are concerned, but the loss to the public cannot be, by any stretch of the imagination, based on what we know from the past over

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Four million or Five million dollars, and that is assuming that every low grade settler we have fails. Personally, my own estimate based on these figures, and I am supposing, of course, that agriculture is not going to keep tumbling down and going to the depths, there is not anything you could do. In that case, you might just as well wait, because it is futile to discuss it, but the losses—there is absolutely no ground based on the cases that we have completed and taking the losses on stock and grubstakes, insurance, and taxes, for saying that this thing is going to involve a capital loss arising from the loans of more than two or three million dollars.

Mr. CALDWELL: You say if agriculture does not keep tumbling into the depths. Would you say if it stays on its present level?

The WITNESS: Yes. If it stays on its present level, but that is the worst situation you could figure, that these 4,000 cases would go into salvage. I say that is the worst thing.

Mr. SPEAKMAN: You are making your calculation based on the assumption that all these cases of double amount had been paid and there would be no further cost of salvage in connection with those?

The WITNESS: No, I did not assume that. As a matter of fact, among the cases we have resold to other settlers, civilian settlers because these resales have been made to civilians and not soldiers, we have had some 21 come back on our hands, and they have been resold again. That is bound to occur. You have to remember this, that this first 4,400 includes our mistakes, for the most part. Practically all our bad buying, the biggest part of it, is in this bunch that went to salvage first, or in the 4,400. The worst farms we have went in the first bunch. There are two districts in Manitoba where we have many settlers. That is the worst province we have. In Manitoba there is one area that before I became chairman of the Board I investigated on the instructions of the then chairman. We had a public inquiry under oath, more or less in the nature of a Royal Commission with myself as Commissioner, and there was no doubt that there was a large bunch of farms for which we paid over \$100,000 and which were not worth half that. As a matter of fact some of them should not have been sold at all. Some officials were dismissed, and one man who had taken false affidavits on the sales, skipped to the United States, and we have never been able to extradite him. That bunch of cases has been in salvage long ago. There is another settlement in Manitoba north of Winnipeg, known as Erinview. There is a whole block of bad buys that are in salvage now, so what I say is that the 4,000 cases which may come back on our hands, if you can imagine that the whole bunch of the 4,000 of our low grade settler sales, they are far better properties in the average than the first 4,400. I think that ought to be perfectly clear to everybody, that we have less to fear in the way of losses on the next 4,000 than on the first 4,000. Understand. I am arguing this purely because I believe it is unfair to say that it is not based on the statistics that are available, that this thing is going to involve a large capital loss, and that you must do something in order to prevent that loss. The only way you can estimate that is if agriculture keeps on tumbling down, and then I say it does not make any difference what you do on anything, it goes anyway.

Mr. SPEAKMAN: I think I agree with you as to your main statement that the worst buys are the first salvaged, but I do not think that you quite got my point in regard to the other matter. My point is this, that you are assuming that when you have accepted the promissory notes of the new settlers, that these are worth the face value. I realize that you cannot do anything else, but you are assuming that the land resold on long terms is worth the face value. I presume most of them have been resold on long terms, and you are supposing, you are valuing them at the full value.

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The WITNESS: Quite.

Mr. SPEAKMAN: And you are now placing the notes of these new settlers at the same value as placed upon the books?

The WITNESS: Most of our resales are undoubtedly made on long terms, but we are getting more money in on them by way of deposit than we got from the soldier settlers in the first instance. Our policy is 10 per cent, but the trouble was that the 10 per cent was waived with so many soldier settlers when they were established. The 10 per cent was waived with a very large percentage. For instance, just look at that figure of land cost, \$4,735,000, and the soldier settlers' 10 per cent amounted to only \$179,000.

Mr. CALDWELL: I noticed that, and I was somewhat surprised, because in New Brunswick they were very strict about that.

Mr. ARTHURS: You were of the opinion that so far as the land investment is concerned the loss so far has been all on equipment, and the Government will suffer very little for any loss.

The WITNESS: We have suffered loss on land, a very large loss on land comparatively, in the Province of Quebec. That is attributable entirely to bad staff work. There is nothing wrong, we could have got lots of good farms in Quebec, but the buying was badly done.

Mr. CALDWELL: In what way, values too high?

The WITNESS: Yes; we paid the price that was asked, generally speaking, which, of course, is no way to buy land, in a great many cases. We learned that in several districts very early, that the price asked was no criterion to its value at all. Of course, in Quebec there is this much to be said; we have resold there over 60 per cent—I am giving the figures roughly—we have resold 60 per cent of the land that has come back on our hands, and we have resold farms there that we paid \$4,000 and \$5,000 for at \$3,500. We have resold farms for which we paid between \$3,000 and \$4,000, for \$1,500, and that is all included in this statement showing the aggregate surplus despite these losses, because all these losses are included. We have sold a considerable number of cases, not a large proportion, but every week or so, in almost all the provinces. We are selling farms for all cash, and the majority of the farms we sell at 10 per cent, while here and there we have sold a farm for less than 10 per cent. If we have a property that is depreciating, and we want to get someone on it, to keep the buildings from going down, and we get a man in the neighbourhood who has a good reputation and a full line of stock and equipment, we will sell that man the land for less than 10 per cent down.

Mr. CALDWELL: And you get a mortgage on the other property the man holds?

The WITNESS: Sometimes. We always take a chattel security for at least 10 per cent.

Mr. CALDWELL: In the case of a returned soldier?

The WITNESS: Yes, some times.

Mr. CALDWELL: Under the Act it was necessary.

The WITNESS: Selling salvaged properties to returned soldiers we will waive the 10 per cent on that. We are not putting anything new into the land, and we will put a returned soldier on a piece of salvaged property if we regard it as suitable for him without any initial payment. We will not buy any new piece of land for him without an initial payment.

Mr. SPEAKMAN: I presume you will have that statement regarding the terms of resale?

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The WITNESS: I can give you the terms of resale right now, so far as that is concerned. The terms of resale on salvaged property are to get as large a cash payment as we can. Those are the instructions we send out to our agents. But they may sell at the 10 per cent down, or if they have a good purchaser who has a good reputation, and they want to sell for less than 10 per cent, they submit it to us, and if it looks good under the circumstances we will agree to sell even at less, and we have sold a farm worth \$5,000, and got only an initial payment of \$100 on it, which is only 2 per cent of the cost of the farm, but that has been a man who has had a good line of equipment, and a good reputation, so the general terms vary. It is very hard to give them to you. In the majority of cases we get 10 per cent. In the odd cases we get cash, or more than 10 per cent, and in a limited number of cases we get less than 10 per cent. The great bulk of the cases go through at 10 per cent. I have prepared here a statement of every farm we sold last year, but it would take a long time to go through it, and I would prefer to do that later on. I have the information and I can give it to you on every farm we sold last year, exactly the cash payment. We sold between 300 and 400 farms, and it would take quite a while to run over them. We are selling in nearly all the provinces at something over what we have invested in the farm, and sometimes quite a bit over what we and the settler combined had invested in the farm.

Mr. CALDWELL: I have not had time to go into your last report. Does it include what your total sales under salvage have brought you, in comparison with the money that both the Government and the soldier had paid into it?

The WITNESS: Yes.

Mr. KNOX: You have the privilege of taking security on the man's property he may have held before he bought the land you sold him. Do you take advantage of that?

The WITNESS: That does enter into it, of course, from the point of view of the law's being maintained, because on this we are dealing only with the land that we bought. There are very few cases, as a matter of fact, where we have closed out a man with additional land. There are some cases where he had Dominion lands, but we have sold practically no Dominion land, and we are only now beginning to sell Dominion lands that have come back to us in a number of these purchased cases that we have already closed out, and although there is a loss on account of stock and equipment, we still have a quarter of Dominion land that is available for re-sale as soon as we can get a vesting order through the Interior Department.

Mr. KNOX: You take advantage of that where there is a loss?

The WITNESS: Yes, we are bound to under the Act; we have no discretion at all. This is a matter of obligation that is placed on us. Referring again to the terms, I think you can take the general terms as 10 per cent, on the land we are now selling. We started out with 20 per cent and then when conditions got more difficult, ready money got more difficult to get, you could find perhaps a good farmer who wanted to buy a good piece of land, but he had not very much money, and when the changes in C.P.R. terms throughout the West, although these matters caused us to drop our 20 per cent requirement on salvaged property to 10 per cent, and that is our basis now.

Mr. SPEAKMAN: That covers my question, then. It is for the Committee to consider later on what bearing that has.

The WITNESS: Now, I want to refer to this question of revaluation, and the position of our soldier settlers, on the four questions I outlined the other day, that I thought should be dealt with in order to visualize the need for a relief bonus of some sort by way of revaluation or otherwise.

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The CHAIRMAN: I understand this expose will be rather long, so I would suggest that we now adjourn and meet again to-morrow. Generally this committee sits on Wednesdays and Fridays. Unfortunately for me, however, we have the honour to receive the Governor General of Canada in Joliette next Friday, so I will be unable to be present. Therefore, if we are to meet again this week we must meet to-morrow or not at all. I would suggest that we meet to-morrow to finish up the evidence of Major Barnett, and we can then open up this new question and go right through with it to-morrow.

The witness retired.

The committee adjourned.

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COMMITTEE ROOM 436,

HOUSE OF COMMONS,

THURSDAY, May 22, 1924.

The Special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers met at 11.00 o'clock a.m., the Chairman, Mr. J. J. Denis, presiding.

The CHAIRMAN: Gentlemen, we will now proceed. In reading the printed report which is an appendix to our proceedings, No. 2, I discovered quickly that at page 49, at the top of the page, the figures "1913-1924" were evidently an error and should read "1923-24." That is quite plain. On page 41 there is another error which is not so evident. It reads as follows: "Acreage occupied by settlers' loans" and should read: "Acreage occupied by settlers without loans."

Mr. CALDWELL: In my copy it says "with loans."

The CHAIRMAN: This is in the second to last column.

Mr. CARROLL: We will have that corrected, I suppose.

The CHAIRMAN: The corrections will appear in my remarks now. It might be corrected when the final printing is done.

I have made enquiry regarding the printing of the second Interim Report of the Ralston Commission, and I am sorry to say it is not yet available. It should have been available to-day and even before to-day. I will take the matter up with the Printing Bureau and see what is wrong, but for the time being I cannot do anything except to report to the Committee. I will proceed with the matter and see that the report is brought down immediately. Before proceeding with Major Barnett's evidence, some members of the Committee, I am instructed, would like to ask him some questions. Therefore, in order that we might proceed with as much order as possible, I would invite members of the Committee to ask Major Barnett whatever questions they would like to ask now, and then when he begins making his statement regarding this particular subject of revaluation I would ask the members of the Committee to be so kind as to let him proceed with his statement except in such cases where, while he is giving his statement he is not making himself sufficiently clear. In that case you might ask him a question or two, but not to take him away from his subject. I would also ask, regarding the questions you will ask now, that you should avoid as much as possible bringing him on the subject of revaluation. The questions which will be asked now should be outside of that subject, because he will immediately afterwards begin his remarks dealing with revaluation.

Major JOHN BARNETT recalled.

By Mr. Robinson:

Q. Mr. Chairman, I would like to ask the witness a question or two regarding certificates. You issue, do you not, qualification certificates to applicants?—A. Yes.

Q. An applicant has to have a certificate issued to him before he can be granted a loan?—A. Yes.

Q. Are they still issuing those certificates for loans?—A. On February 16th our regulations were changed, after consultation with

the Government and meeting the wishes of the Government with respect to reducing of expenditures on soldier settlement, and after March 31st of this year we are not issuing qualification certificates to any new applicants except those settlers who are in training, who came to us before and we told them, "You have not experience enough; you work for a farmer and get experience and we will deal with you". These men, to them we are continuing to issue certificates. We also issue to those who desire assistance on their own land. There are some men who when they came back from overseas felt that they required no assistance. The pinch that has hit farming made some of them change their minds, and it was felt that it was not fair to exclude them, to shut them out merely because they did not come early, and thought they could carry along without the aid of cheaper money supplied by the public. Within the third class to whom we issue certificates are those who prior to February 20th, the date at which these instructions are presumed to have reached our district offices in the field, had, by letter or instruction of the Board, deferred making formal application. A man may have written in to us and said he wanted to go on the land, but had a good job, and asked us whether we would advise him to stay with the job or go on the land, and we probably told him to go on with the job and come in later. We told them not to hurry about their application, and it would not be fair to close the door and say, "You cannot come in now". That is the situation with regard to those men. The fourth class is those returned soldiers who are coming from Scotland under arrangements made with Father MacDonell. That is partly a commitment made before; we are issuing to those, and no others.

Q. You say returned soldiers?—A. Yes.

Q. They were not Canadian soldiers?—A. That last group were not.

Q. They were in the British Army?—A. Yes.

Q. Those are the exceptions?—A. Those are the only people that we issue certificates to.

By Mr. Caldwell:

Q. Just what do you do with regard to those?—A. We still qualify those.

Q. Any number?—A. No, those to whom commitments had been made at the time this was put in force. At that time Father MacDonell was over in Scotland expecting to get assistance for such of the party as were returned soldiers.

Q. The thing is not open indefinitely?—A. No.

By Hon. Mr. Sinclair:

Q. It is just to take care of the commitments of Father MacDonell?—A. Yes; he was expecting that those of his party who were returned soldiers would get assistance.

By Mr. Robinson:

Q. Do I understand it only means assistance to those to whom Father MacDonell has already committed himself?—A. There has been no interpretation made on that; we would naturally be governed by the wish of the Government. There has been nothing laid down definitely to hold us to that.

Q. The idea is that they are good settlers?—A. No, the whole thing is based on a commitment in equity to a man. That is, if we have a commitment to him, then in equity we have to fulfil it.

Q. That is, it only applies to those to whom he had committed himself?—A. Yes, in line with the rest of it.

Q. It does not say so?—A. The basis of the exceptions takes that in.

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Q. It says, "Scotch settlers coming to Canada under arrangement with Father MacDonell"?—A. Of course, we were thinking of the settlers who were coming this year under Father MacDonell.

Q. That is, that it would not go on?

By Hon. Mr. Sinclair:

Q. Returned soldiers?—A. Yes.

By Mr. Robinson:

Q. The point I am getting at is this, that there were in the United States, perhaps, Canadian soldiers who went there possibly right after the war, who might wish to be repatriated, and who might not know anything about these regulations, and it seemed to me there might be an exception made in the case of these men as well as in the case of Father MacDonnell's Scotch settlers. I am not saying anything against these Scotch settlers, but I think there might be a case where some of our own men, if they knew of the terms under which the soldiers here had carried on operations in the past might be willing to be, and might want to be repatriated, but under these regulations they would be shut out.—A. They are shut out, undoubtedly, the idea being that only those returned soldiers to whom we were already committed in some way will be established, and of course the regulation is based on the understanding arrived at with the Government.

Q. Do you know if the facts of our soldier re-establishment scheme were made known at the time to our soldiers who might be in the United States.—A. No, I would not say that it was, because we have never made any attempt to force soldier settlement on returned soldiers. We have done practically no advertising along that line, that is, that there were benefits accruing. We did make it public in a very limited way, but not from the viewpoint of propaganda, or pushing it before the returned soldier. There was nothing done along that line. As a matter of fact, on that point, there is an editorial in the last copy of "The Veteran", just out, which points out that fact, that settlement was made voluntarily. I do not have it right before me, but it was pointed out that no propaganda had been used to push soldier settlement before the attention of returned soldiers.

Q. Was it favouring that policy or opposing it?—A. It was not dealing with that, it was dealing with the question of success or failure of soldier settlement.

Q. The point I wanted to make was this, that we might have some Canadian soldiers, say in the United States, and in these days when they talk about the immigration policy and so on, if these men knew about it they might have made application, but now they have no chance. We do leave it open for these Scotch settlers, but not for any Canadian settlers.

By Mr. Carroll:

Q. I suppose if this Committee made a recommendation in line with the suggestion of Mr. Robinson, the Department would take it up seriously?—A. Yes indeed, we would certainly get the views of our Minister on it. What we are trying to do now, frankly, is to close down, and we are trying to meet any equitable claims we have, but other than that we are trying to close down.

By Mr. Speakman:

Q. Personally, I am in agreement with that. Have you any estimate as to the number and extent of the commitments?—A. It is impossible to make any. We have commitments with a very large number of men; that is, we have issued qualification certificates to over 20,000 men, and those are all commitments.

By Mr. Caldwell:

Q. To over 20,000 men applying for loans?—A. Yes.

By Hon. Mr. Sinclair:

Q. Who have not yet taken advantage of that?—A. Yes. Some of them have come up and made application and we have turned them down. About 12,000 have asked for a loan and we would not give it on the proposition they put up.

Q. Because you could not approve the loan?—A. Yes, because the land was too high priced, or it was not suitable, or something like that. I have not any expectation that any number of this 20,000 will come up. Quite a considerable number of them are not in the country now, and it is pure guess work to try to estimate them. We have 700 or 800 that we know we are committed to, those men in training now, but beyond that the rest is more or less vague. Every day a man turns up with a letter he got some time ago and that is a commitment, but to what extent it would go there is no way of telling.

By Mr. Robinson:

Q. Mr. Chairman, I would like to have it brought before this Committee in some way, at some time or other, the chance to perhaps move that these regulations should not apply to Canadian ex-soldiers, men who wish to be repatriated and have it submitted to the Minister. Of course I do not know that this is the proper time to do it.

The CHAIRMAN: It is always time for you to make any suggestion, sir. That is just a suggestion, however; we cannot discuss it, but it will come up for discussion later on.

By Mr. Carroll:

Q. I want to ask Major Barnett if there is any regulation of the Department, or any custom as to the length of time that a man is allowed to remain on his land after having made default?—A. No, there is no regulation at all. As a matter of fact, unless he has been guilty of some serious misconduct—

Q. I mean non-payment?—A. Non-payment in itself, we have practically closed out no cases on account of that. There may be the odd one where we were quite satisfied the man could have paid, and where other settlers in the surrounding district have been complaining very bitterly over that particular individual being let off, but otherwise we carry men practically indefinitely. There are very few men who have been forced off.

Q. Would you at some time get us a list of soldier settlers under the Act who have made no payments? There are a number of them, I understand. I do not want the names, but the number.—A. That would be pretty difficult; it would take me a long time to do that because it would mean applying to every branch office. A man may make no payment this year, but he may have made one last year and the year before. To get the men who have made no payment whatever means examining all the accounts. I can get it for you, but I cannot get it quickly.

Q. If there is going to be any change made as to the rate of interest or the valuation of the land, I imagine that would be more or less important information, providing they were good men and trying their best.—A. I want to just show you when we come to that question the problem that is involved in it. As I said when I opened the other day, I have a thousand cases digested, taken purely at random, of what we call our low-grade settlers. Some of them have made payments, but for some reason they have been classed as low-grade. These are the settlers who for one reason and another are in the greatest difficulties, and in order to analyze the situation I want to go over a number of them taken from various districts just to let you see that when you get

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all kinds of men, naturally there are all kinds of cases. I will take that up at the proper time.

By Mr. MacLaren:

Q. Do you include in your statistics the number of those who did not make any payment? You keep statistics, various statistics, tables connected with this, the number of men who apply and so on, do you not?—A. Yes.

Q. Do you not have one classification or one table of those who have failed to make a payment?—A. No, we do not have that at all.

Q. Would it not be well to do so?—A. We are burdened with statistics so very much.

Q. But that is only one little thing?—A. Yes, but a man may not have made a payment, but may be in a far better position than the man who has made a payment. There are men we have not gone after for payments, the man has been improving his place, and to give him a chance of developing his property right we have not pressed him. We have said, "Here, we are satisfied with this," and that gives no proper perspective of the case at all. I can show you lots of settlers who are in far more hazardous positions and have made payments, than many other men who have not made a payment.

By Mr. Carroll:

Q. I know a man who has made no payment at all, but has improved his property over \$3,000.—A. It does not give you any perspective, then, to take a list of men who have not paid.

By Miss MacPhail:

Q. Do you think these people who improve their property, the way farming is now, can ever make their payments?—A. I would like to deal with that when I come to the first question which I put down as the one I thought should be answered, as to what their true economic condition is.

The CHAIRMAN: If there are no further questions by members of the Committee, I would suggest that we proceed now with revaluation.

The WITNESS: Just before taking up that question, there is one thing I would like to refer to. Senator Griesbach yesterday referred to our resales. When I returned from the meeting of the Committee to my office yesterday, I found two offers for the sale of salvaged land in the Edmonton district waiting for my approval as to whether we would sell or not. They had come in over the wire, offers for sale of salvaged property, and I want to refer to them because they illustrate something with regard to the sale of the salvaged property we have. The first case is where we purchased land in May, 1919, for \$2,525. The settler put up no 10 per cent, so he had nothing in the property at all. He resided on the premises for only a short time, and it was thrown back on our hands in 1920, and it has been back on our hands ever since. There were 40 acres under cultivation at the time we purchased it, and at the time we were selling he had only cropped between 10 and 15 acres, and the rest went back to sod. The buildings burned down; it had a set of buildings and they were destroyed. The offer that was waiting for my approval yesterday was \$2,575, \$75.00 more than the property cost originally, and the buildings in the meantime had burned down, and 20 or 30 acres of the land had gone back to prairie, had not been cultivated. In addition to that the fences were in disrepair. The two points are that we have not sold our best stuff in all cases. Here is a property that has been on our hands over 3 years, and yet we turn around and sell it at virtually \$400 more than we had in it, because we recovered \$300 on an insurance loss. In addition to that the property went back. The purchaser of the property is a neighbouring farmer who is setting up his son. He does not live alongside of the property, but in the vicinity.

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If land could be obtained cheaper than that he would not come to us, he would not buy that particular property unless he knew what he was doing. He is a well-to-do farmer in the district and he is buying that particular place for his son; we are not selling to some greenhorn who does not know values.

By Mr. Knox:

Q. You are not quoting that as an average case?—A. It works out pretty well average, when you take the results on the 1,600 cases we have sold. There is a surplus of \$600,000, and that is the way it is acquired by these cases mounting up, so I would say the average must be something along that line, judging by results. I do not mean to say they are all like that. As I told you yesterday there were cases in Quebec where we lost \$2,000, and there were cases in Manitoba where we lost \$2,000 in a single farm; we have had losses in practically every province, but the aggregate shows a \$600,000 surplus over what we had in it.

By Hon. Mr. Sinclair:

Q. Out of a total sale of how much?—A. The total sale is given here; there are 1,600 cases.

By Miss Macphail:

Q. You cannot give a farm away in our part of Ontario, so I do not see how you can sell these others.—A. We are selling them.

By Mr. Wallace:

Q. \$600,000.00 net?—A. Yes.

Q. The losses are included in that?—A. Yes.

By Mr. Caldwell:

Q. You have not included in that what the soldier paid?—A. No; there is \$179,000.00 which the soldier paid.

Q. It would still show a surplus?—A. Yes. I want to just repeat, before going on, one thing I said yesterday, because some members of the Committee were not here yesterday; that is, the fact that out of these completed cases, out of these 1,600 cases our losses on land, stock, and equipment as shown by the statement that is in the report of the proceedings is \$40,000.00. Add to that insurance, taxes, grubstake, seed, feed, and all these things, the loss on the 1,600-odd cases is only \$360,000, the capital loss.

By Miss Macphail:

Q. That is, to the Department?—A. Yes.

Q. That includes what was paid by the soldier?—A. Yes; I am not putting it from the settler's point of view, but rather dealing with the statement emphasized by Senator Griesbach that the country is going to be faced with large losses. I am ignoring the settlers for the time being. Now, we have 1,900 purchase cases of which we have to dispose, that are on our hands. The two cases I have mentioned were among that 1,900. If we lost twice as much as we have lost on the first 1,600 cases, the loss to the country will be around a million dollars, and if the whole of our 4,000 low-grade settlers who are having difficulty fail, and the same ratio is maintained, the loss will be a little over two million dollars. Then I went on to point out that if you totalled those figures you would only have a capital loss of five million dollars, so you are not faced with the danger of large losses, based on these figures, and the figures are correct as far as they go.

By Mr. Caldwell:

Q. Of course, you would have to add to that the loss incurred by the Government on account of remission of interest, which amounts to what?—A.

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That amounts to Ten million dollars. It amounted to more than that, but our last computation is based on the settlers still on the land. We are not dealing with that now; that money has been lost and the loss was contemplated at the very start, but the loss arising from failure is the thing I am speaking of.

Q. Of course, this remission of interest has to do with the failure to be able to pay?—A. Yes, but I am looking into the future, I am speaking to the argument made by Senator Griesbach that we must cut twenty-five million dollars off the capital of this, or the country is going to be faced with a staggering loss. It is not going to affect what you have done in the past. No matter what you do it is not going to minimize the Ten million dollars you gave in interest exemption. It does not enter into what you should do in the future.

Q. I think it does; I think there is a very decided opinion that we have to go further on the line of remission of interest to make the men stay on the land. It is still a capital loss to the country?—A. Yes, but you and I are looking at it from a different point of view. The question I wanted to take up is the question of what is the economic position of these settlers that are under the Board. I want to deal with that from two points of view; what success should have been expected for these men at the time they went on, forgetting all about the economic disasters that have intervened; what success was reasonable to expect from a bunch of returned soldiers coming back from overseas and going on the land? Should we expect from these men a larger measure of success than the returned soldier coming back and going into other occupations? What should we expect from these returned soldiers who had served 2 or 3 or 4 years overseas, who had no capital of their own for the most part, and had to begin entirely on borrowed money? Should we expect from them as large or a greater measure of success than we should look for in the civilian settler? I want to direct your attention to that for a moment, apart altogether from the economic situation that has intervened. The reason I am bringing it up in this way is that I want to get before you the question of whether this thing has been a colossal failure, whether it has been a reasonable success, or what is the state of this thing, and to do that you must determine what was to be expected from these men when they went on the land. Now, insurance statistics show that 85 per cent of the ordinary men in life accumulate nothing; 85 per cent of mankind accumulates nothing. When they reach the age of 65 they are dependent upon friends, relatives, or charity. These are the statistics compiled by the insurance companies. I want to leave that just for the moment and take up now the actual situation, and I will then come back to this question. Perhaps I should say that the reason I am giving this is because I feel that the evidence should be directed to show how the position of these soldier settlers compares with other returned soldiers who are not on farms, with other farmers who are not returned soldiers, in order to get a true perspective. In order to do that, you must compare them with something. Success is a matter of comparison, and whether you are going to say this is a failure or a success depends upon your comparing it with something. Before going into details, I will say there is no doubt that agriculture has suffered and suffered very severely. We feel it and all our soldier settlers have felt it. They are in the same position all farmers are in; the prices of every farm product that you can think of are at least down to pre-war level, and in some cases below pre-war level. Everything he has to buy, practically, is away above pre-war level. All his operating costs are above, his transportation, his threshing, his twine, all are above pre-war levels. That has undoubtedly hit soldier settlers the same as it has hit all other farmers. I am not trying to minimize that situation, because it is undoubtedly true. We have had, as the figures given at the other meetings show, 18.8 per cent of failure, abandonments; that is how it stands now, some 4,400-odd cases have been abandoned. Of that number practically a quarter are due to deaths,

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recurrence of war disability, and causes that neither the scheme nor the man nor the land nor economics had anything to do with. That is, if a man died, he abandoned the land for that reason; a man had a recurrence of war disability, and these are causes which neither economics, the man, or the land enters into.

By Mr. Robinson:

Q. That is 18 per cent of abandonments?—A. 18.8 per cent. That is for a period of between 5 and 6 years, because we started in 1918 when the first loans were granted. That is the total.

By Mr. Caldwell:

Q. You are not giving the percentages for the different causes?—A. No; the causes are all mixed up.

Q. You have not the percentages?—A. We have a percentage but it is not very reliable, because when you come to try and measure up how much of that is due to poor land and how much to the poor man, it is a difficult thing.

Q. But I mean due to death?—A. I have computed it at about 25 per cent of the total failures, due to death and disability and causes of that nature; that is about 1,000 cases out of 4,400. The rest are due to hard times, difficulty in getting along, poor land, and a poor man. Of that total, crop failure counts for a considerable number, of course. The out and out failures run from 3,000 to 3,500, and by that I mean the men who could not continue, either by reason of their own incapacity, by reason of the fact that they had crop failure, or prices were so bad, or the land was so poor—. The out and out failures number between 3,000 and 3,500, or roughly speaking, 15 per cent. I am dealing with failures first, and I will deal with successes after. How does that compare with the civilian farmer? I will call to your attention some figures from the United States. In the 15 leading corn and wheat states of the United States since 1920, 4 per cent of the farm owners, the out and out owners of farms in these 15 states have been forcibly foreclosed. 4½ per cent have gone into voluntary foreclosure; they have simply walked off the properties and left them, and 15 per cent are bankrupt but are continuing on sufferance. These figures are given by Secretary Wallace of the Department of Agriculture of the United States. Our men cannot be compared with the farm owners, because they had a very large equity, and our men had none. Our men compare with the tenant farmer of these states, and the wastage among the tenant farmers has been much greater. As a matter of fact, our settlers do not have as large an interest in their land and live stock and equipment as the tenant farmer in these states has had. 7.2 per cent of the tenant farmers have been forcibly foreclosed; 7.8 per cent have gone into voluntary foreclosure, they have simply walked off and left their stock and everything in the hands of their creditors, while 21.3 per cent are simply hanging on on sufferance from their creditors. There is 15 per cent of out and out failures, exactly the same percentage as our own with soldier settlers. There is 21.3 per cent which are simply hanging on. I admit quite frankly that we have quite a considerable number of men who will fail; some of the men are just hanging on, some from one reason and some from another. I am not claiming at all that our 4,400 is the end of our abandonments. I want to be perfectly fair in my statement, and I do not want to distort anything. I appreciate that we have more men than the 4,400 who are headed for abandonment. In other words, they are in the same position as the 21 per cent in these 15 states.

By Mr. Caldwell:

Q. Would your percentage be as high?—A. I do not think so, no. I personally doubt very much if the percentage is anything like the percentage of failure that we have had, but then you never can tell.

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Q. Have you these same statistics for Canada?—A. No statistics are available. It is very difficult to get Canadian statistics. We do know that in the province of Manitoba, in the last three years, where there used to be 55,000 operating farmers in that province, it has now shrunk to about 45,000. The figures given about a year and a half ago by, I think, the President of the United Farmers of Manitoba, gave it at that time as under 50,000, about 48,000; since that time there has been a further shrinkage. We have compared certain municipalities. In the Armstrong municipality 22 soldier settlers had abandonment to 340 civilian farmers. Our percentage of abandonment in the municipality is not nearly as great as that of the civilian farmer who has abandoned. The same is true of Fisher, and the same is true in the Peace River country. I was talking to a Peace River man down here last year in connection with the railway project they are interested in there, and he told me—and I have checked it from other sources—that they estimate conservatively that 50 per cent of the farming population has left the Peace River country. Our abandonment there is only 15 per cent, and this man, accounting to me for the difference in the way soldier settlers were hanging on, said that it was the pensions our men were getting. As a matter of fact, it is only the odd one here and there who is drawing pension. That does not account for it at all. You have to look to something else to determine why they are staying.

Q. Might I make a suggestion? Is it not possible that the soldier settlers are being dealt with far more leniently by the Board than the men in arrears to the Mortgage Companies?—A. That may be. I imagine there is a variety of reasons. I do think, though, there is some value in the supervision work that has been given; there is some value in the fact that his debt is all consolidated and owing one person. That is always an advantage to any business man.

Q. And that person not pushing very hard for payment, of course?—A. Certainly the consolidation of indebtedness and the fact that soldier debts are in the most part owing to us and nobody else is an advantage. I do not mean to say that is true in all cases, but that is the general policy and undoubted it helps the soldier. Now, I have not anything further to say with regard to the abandonments, more than this; if you compare soldier settler farmers with civilian farmers in the United States or in this country, our abandonments have been no greater and in most cases are less than the civilian farmer abandonments in the same time. So I do not think it is fair to say, or fair to base any reasoning or decision on the ground that this has been a failure, because you must compare it with something, and if you compare it with these things the settlement is stacking up just as well as any other settlement. The other way to judge the position of soldier settlers is by repayments. It is practically the only other way to find the position their property is in, and in order to give you that there is no way that you can crystallize it into a few figures. There is the man who has improved his property \$3,000.00 of whom Mr. Carroll spoke. You would have to run over case after case to get any perspective; you cannot bind it into a bunch of figures in that way. The repayments that they are making, the way in which they have been able to cope with their load of debt that they are carrying is the next most important way of judging the economic position of soldier settlers. Before I say that, though, I may point this out, that the case that the ordinary public knows, even that the ordinary Member of Parliament knows is not the case of the soldier who is doing well; it is almost invariably the case of the man who is not doing well. We had an illustration of that three years ago, I think it was, in the last Parliament, when the Parliamentary Committee on soldier affairs was sitting. The then member for North Oxford county in Ontario, who was even then a bitter antagonist of soldier settlement, when the Member for one of the Saskatchewan constituencies was urging

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consideration for soldiers who had seen service only in Canada—Mr. Nesbitt said, "Well, I do not believe in this thing at all." He said, "They have only established three settlers in my constituency, and they are all failures already." I was sitting in the corner ready to give evidence; I did not say anything because I did not have the figures, but I went to the office and before the committee met the next day I called Mr. Nesbitt to one side and asked him if he had made that statement, and he said he had, and that it was so. I said, "Here is a list of over 40 settlers in Oxford county, over 19 of them in North Oxford." 12 of them had made all their payments and made prepayments, paid more, and there were 4 who had no payments at all. 3 had failed, and the only ones he knew of and upon which he was basing his judgment were the 3 who had failed. Just this year I had another instance of that. Mr. McTaggart came to take up a case with me and said, "I have not very many settlers in my constituency". I said, "No?" As a matter of fact, he said he had been talking to Mr. Speakman about the matter, and he said he had only, he thought, about 12 or 14 settlers in his district, did not think he had very many more than that. I pulled down the map and showed him the spots and he looked at it and found that there were over 450 soldier settlers in his constituency about whom he did not know, the reason being that the soldier settlers there were all getting on well. They had been making their payments; they had been having no difficulties; he even had 2 in his own township where he farms himself, and he never knew they were soldier settlers at all. That brings us to another point that very often your good man is not known even by neighbouring farmers. Last year we had one of our officials going around checking up the work of our supervisors. He would go into a district alone and go to a prominent farmer in that district and say, "How are the soldier settlers getting on here?" and start discussing it. The farmer would generally say, "They are getting on very poorly, rotten in fact" and so on, and they would discuss that for a while and pass on to crops and prices, and so on. Then he would go back to it and say, "Do you know a man farming here by the name of Jones, or Brown, or Smith?" He would say, "Yes, he is a good man, getting on fine." The official would run over a list of those men, and gradually the man would tumble to the fact that he was asking about soldier settlers.

By Miss MacPhail:

Q. Do you not think that the good ones were, in a great many cases, farmers' sons who were assisted by their own people and given a sum of money to begin with, which accounts in a great measure for their better farms?—A. In some cases, undoubtedly. It is not so true in the west as in the east, although it is true to some extent there.

Q. I want to say here that I can certainly back up what you have just said, that there is a very large number of successful cases. I wrote to about 700 soldier settlers then on the land in Ontario, some time ago. I got replies from over 400, and the thing in all those replies that amazed me was their hunger for land, and they gave as their reason for taking up this scheme that it was the one way in which they could go on the land. I think there were only 3 or 4 that I heard from who said anything that was not in the highest sense complimentary to the Board. We often say nasty things, and I thought I ought to say this, that we feel the Soldier Settlement Board has done very efficient work, when you get only 3 or 4 replies out of 400 or over, who have any complaint.—A. I have spent some time on that situation as far as the best men go, because I want to outline just what some of the men have been doing. We have, roughly speaking—the figures are given in this book—I think around 700 or 800 men who have repaid their loans in full. They will not come ordinarily into any consideration of revaluation as based on the condition they are in.

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They owe us nothing. I wired out a few days ago to our district offices just in order to get a line and find out how many of our men had been making substantial prepayments; that is, paying off more than their regular payments, and I set the figures very high, because I put a figure of \$1,000. I wanted those who had made at least \$1,000 as a payment more than their due payments; that have to their credit \$1,000 more than their due payment, and the number of cases is around 400, in that category. So there are over 1,000 settlers who have paid off their loans entirely, or who have been able to make, in addition to their regular payments, more than \$1,000 of a repayment. We know this, that we have annually around 3,000 men that are not only meeting their payments but are making more than their payment. We have annually that many. The same man does not make a prepayment every year, but every year, averaging up, we have around 3,000 men who are able to live up to the original conception of this scheme, and more than live up to it; in other words, they make a prepayment. Now, despite our failures and despite the severe economic position of things, a remarkable number, a very large number of our settlers have made remarkable financial successes out of this scheme, even some of those who have failed have made very remarkable financial successes. We have met here and there the odd man who has abandoned his farm wealthy, almost. I want to give you just one case that Mr. Caldwell knows about, because it is in his own country, and I have referred to it before, where a man who failed made money out of it. We bought a farm for this man in York county in New Brunswick in 1919. The deal was put through after the crop had been put in; as a matter of fact, before it was completed part of the crop was harvested. The settler did nothing except to harvest the tail end of the crop. We paid \$5,000 for that farm, or at least we thought we were paying \$5,000, but after salvage we went into it and found that the office had not got it right, had covered it up some way, and the price of the land was \$3,000. It was not done deliberately by the office, but it was looked on as a good deal; as a matter of fact, we really bought the crop for \$2,000. That fall the settler sold that crop for \$12,000, and said, "You can keep the farm, I will keep the money" and walked off.

By Miss Macphail:

Q. What did they find on this farm, a gold mine?—A. No, it was potatoes, which were bringing \$11.00 and \$12.00 a barrel that year. He had about a thousand barrels of potatoes.

By Mr. Caldwell:

Q. That very freak price has ruined our country, and we did not get any more than the cost price for more than three years after that.—A. I am only pointing out that there was a man, a failure as far as the settlement end of it is concerned, but who is now in the New England states somewhere with \$12,000.

By Miss Macphail:

Q. Would it not really be in most cases, however, that the soldier would leave \$300 or \$400 or \$500 sunk in the land?—A. Yes, probably so. All through the west we bought land with moderate crops. We have no cases like that New Brunswick case, but we have cases where the settler did nothing but reap the crop. He had nothing else to do with it; we bought the crop, and he has taken off \$2,000, \$3,000, and \$4,000; that was in 1919, when wheat was bringing a high price. The collapse came in 1920, and a great many of the 1919 settlers should be in a better position than the 1920 men, because the men who started in 1920 started with the high price of seed and everything in the winter, and then came around to the fall when the thing collapsed. That was our biggest year, when we established 10,000 men, and purchased improved lands and got the crop practically for nothing with the land. That is one of the difficulties

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we have in selling salvaged stuff. I had one of these cases before me yesterday; at the time we bought it we paid for 30 acres of crop, and now we sell it and that crop is gone. You have that difficulty, you see. What I am trying to do is give you certain types of cases. We have another type; we had a settler in the Swift Current district in 1919; his health broke down and he abandoned the property but he wanted to have a chance to try and hold on to the land, and he got work in Winnipeg and rented that land, with the assistance of our supervisors. By now he is practically paid up out of the one-third share of that crop; he now has his land for nothing, and he has hardly ever been on it at all. His land has cost him nothing, because he simply got it and rented it on a one-third basis. There is a similar case—I am only giving you these as illustrative of certain types of cases that we get. Then we have a number of settlers on Vancouver Island. We bought parcels of land there from the Dunsmuir Estate. These settlers have sold off portions of their holdings; they still have quite good sized farms which stand them practically nothing, because they have sold part of their farms, enough to pay for the rest of them. Then we have 85 settlers settled on the Pope lease in Alberta. That lease cost practically nothing, and there may be some feeling that that should have been given to returned soldiers practically free. At the proper time I can give you the reason why that could not be done. As a matter of fact the facts I will give you will indicate why. They were charged for this land, and it was sold to them on a ballot system. There were more men than there was land, so it was ballotted for, and it cost them \$20. We have had 4 abandonments in there; in every case the settler did nothing on the land, and we have sold that for a very substantial cash payment. In one case, we sold land for a very large cash payment, about 50 per cent of the value at \$50 an acre. Every one of these 85 men got a gift of from \$2,000 to \$3,000, or at least they are that much to the good. Down in the Annapolis Valley in Nova Scotia the settlers who were established there in 1919 and 1920 could sell their land to-day for very very much more than was paid for it. If we went to establish a settler there to-day, we could not begin to buy land at the price that was paid for it in 1919 or 1920.

Q. How do you account for the rise in land values?—A. They have had good apple crops; they have had fair markets for their apple products; they have not had any set-backs of any particular kind; we have had none among our soldier settlers. We have about 150 there and there is scarcely a man in difficulty, unless the man is responsible himself. The economic pinch has not caught them as badly as it has caught us. Their market is over in the Old Country, and it has been fairly good; their yield has been reasonably good; they have met with no adversity, and the whole thing is in a healthy situation.

By Mr. Caldwell:

Q. That is just in the fruit belt?—A. That is the Annapolis Valley which, of course, is all a fruit district. I am pointing this out, that when you total up all these cases, we have between 3,000 and 4,000, at the very least calculation, of soldier settlers who have benefited enormously from the soldier settler scheme. They have not all benefited from their own work. They have benefited in some cases improperly, but there are between 3,000 and 4,000 who have benefited very very largely from the soldier settlement scheme. In addition to that we have 6,000 men—and this is only an average, I do not mean that it is the same 6,000 every year, year after year—but we have 6,000 men who are able to meet their payment in full. They are able to do everything their contracts call for, allowing, of course, in recent times, for the depression. I appreciate very much the benefit the interest exemption gave to a lot of settlers, but these men are able to live up to their obligations. Now what is a fair proportion of success? As I said before, 85 per cent of the ordinary average men

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throughout life die without anything; they reach the age of 65 and have to depend for their future living on friends, relatives, or charity. How does the proportion, about 20 per cent or 25 per cent of soldier settlers who have established an outstanding success, compare with your ordinary average returned soldier who is an artisan, a labourer, a clerk, or something along that line? I do not want to dwell on that, but that is one thing when you say whether this thing has been a failure or a success; you must compare the man who went on the land with practically nothing—there were a few who had something, but probably 90 per cent of the men that went on the land had nothing, barring their 10 per cent which was paid out of their gratuity. A man coming back to city life, a clerk, artisan, mechanic, or labourer, had the same thing, the same gratuity. What is his situation to-day? How does the proportion of those who have made a success compare with the soldier settlers? I have not any figures, but I have lots of cases that come to my attention of men in our cities like Montreal, Toronto, and Winnipeg, and other cities throughout the country, even here in Ottawa, where a man has lost his gratuity, his equity in a house, and has sold his furniture stick by stick, and is down to nothing. In a city we run into them day after day and while I cannot give any statistics I think it is almost common knowledge, judging from the insurance statistics of ordinary human life, that when 20 per cent or 25 per cent of the men can make a substantial success—and I am including not only the 700 or 800 who have paid off their loans, but the 2,000 or 3,000 who are making substantial prepayments, and those other cases where we know definitely the man's proposition is worth twice as much as he has in it—there are at least 20 to 25 per cent who have made an outstanding success under this scheme. Is that not a fair proportion? Is that not all that can be expected, and is the 18·8 per cent of failure an unreasonable proportion? These are the questions on the situation, or the facts of the situation of the soldier settlers.

With regard to ordinary collections, I have given you a number of men who have not made payments. We have annually 4,000 who are unable to pay anything. That question was asked by Mr. MacLaren, but it is not exactly as he asked it. We have an average of 4,000 men annually not able to pay. Among that 4,000 this year are many men who did pay last year. Some of them were unable to pay last year and paid the year before, but each year we find that we have about 4,000 men who are unable to meet their payments. Then, if we examined our files to find the men in difficulty, we find that we have about 4,000 men in difficulty. They are not the 4,000 men who do not annually make the payment, but the two tally out pretty well as to the number having difficulty. There are 4,000 men that annually find it difficult to carry on. They not only find it difficult to pay us, but they find difficulty in a great many cases in living. There is a considerable number of those who are hard put to it for the necessities of life. There is no doubt there are those cases, and it is those cases largely, I think, which are responsible for the feeling among many people that something further should be done.

By Miss Macphail:

Q. By necessities, some people may mean what others would call luxuries. You take the settlers, some people in the cities might think they did not have necessities, while the people in the country would be quite satisfied. By that you must mean just enough to eat and wear.—A. By that I mean they have difficulty in clothing their families properly and warmly, and so on.

Q. You see, I know these cases personally. I have taught school where these children came, and I know they are not clad sufficiently well, neither warmly nor cleanly enough. So the necessities of life do not mean the same thing to everybody.—A. That is quite true, but in the 4,000 cases you might

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say that some of the men making prepayment do not afford themselves as much in the shape of commonplaces of life, as I would call them. Perhaps they are not what we call necessities, but they are at least the commonplaces of life. I am speaking now of the 4,000 men who are in real difficulties; they are in difficulty so far as their payments are concerned, and so far as living is concerned, and I am willing to go as far as you like on the necessities; you can either restrict it or widen it. They are in difficulty anyway. These figures are more important than giving the actual money, the amount of the money we have collected. Undoubtedly this year our collections have been very much better than previously. The percentage is not any higher, but we figured our collection percentages reasonably and honestly on the thing, because we include everybody in arrears, and the money we have collected, if it were not for the province of Manitoba, would be practically as much as the previous year in actual percentage. In actual money it is getting on now over half a million dollars more.

By Mr. Speakman:

Q. The total amount that is given as due at the end of your fiscal year, does that include the arrears?—A. Yes, it includes all arrears.

Q. So the percentage as given of the amount collected does not necessarily apply to the percentage of the amount current?—A. That current year's due payments. No. It includes all the arrears. Calgary has collected very close to 50 per cent; at the present time it has collected over \$400,000 in payments this year in that district, but that is only about 50 per cent, because it carried over nearly half a million dollars of arrears last year. If Calgary's percentage were only taken without the arrears, Alberta's percentage of collections to-day would be about 80 per cent or 90 per cent of the current year's payments, because it includes all the arrears that have been carried over from previous years.

Q. That is a very important point in this estimation?—A. Yes. I just want to say this, that while the percentage is low it does indicate difficulty, it is indicative of the difficulty that is general in farming communities. Here again our collections compare very favourably with all the data we can get from mortgage companies or implement companies and others doing business with farmers generally. Of course, the mortgage company will not tell you what they collect. If they give an extension of time it is put on the land again, they do not class it as an arrear. You cannot tell from their balances really how much has been paid and how much has not. In the same way, if the interest is paid they care nothing about the principal payments, because their object is to keep their money out as long as their security is reasonably good, but from all the things we can get, all the information we have, our collections in actual money or actual percentage compared most favourably with mortgage companies doing business with the ordinary civilian farmers, while with implement companies there is no comparison at all. They are away down.

Q. All amounts overdue are those overdue since October, 1922?—A. Yes.

Q. Because at that time the reconsolidation was made?—A. Yes; that, of course, straightened everything up at that time.

Q. So the payments due are due since that date?—A. Yes, the arrears are all the arrears of last year.

By Mr. Caldwell:

Q. The arrears before 1922 were amortized and added to the principal?—A. Yes, that is true. I want to take up with the Committee now a few of these low-grade settlers, because the question of revaluation hinges more particularly upon their situation than upon anything else. I have these cases; I am not going to try and read them all, but just a sentence or two from the

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report that we have on these low-grade settlers. I am only going to read one or two from each district, just to give you an idea of the different types that are involved. The first list I have here is from British Columbia. "Settler would not listen to advice of supervisor. Settler said he had no money due to crop failure. In the fall of 1923 settler had sold crop but would not make any payment to Board." The whole family were working out; he was competing in the labour market in Vancouver with other returned soldiers and keeping his land free. A great many of our settlers in the Vancouver district, the British Columbia district, are really not farming at all; we bought small acreages there and they are working in Vancouver and other points, and simply using the premises as garden premises. There are a great many of them doing that.

Q. Which would carry out my theory that they get the property rent free?—A. That is the situation there. These are the types of settlers who are having difficulty in making payments, and if I happen to read a lot of bad ones at the first, I do not want you to think they are all bad, because there are probably at least half of them who are very honest hard-working men, who bear out any theory that you have in regard to their inability to get along, in spite of the conscientious sincere efforts he makes. I do not want you to think that I have picked out cases showing the reverse, because they were all picked at random and fully 50 per cent of them are hard-working, conscientious fellows. "Settler uses too much whiskey". "Settler spends too much time in hospital from shell-shock to be able to work land properly." He made a poor selection of land, the land is not worth what was paid for it. "Failure due to lack of work. Settler has poor land to work on." "Last reports indicate settler gradually developing poor piece of land." "Settler young and at first unmarried and wild; just recently got married; from all reports his wife big factor in success." "Poor farm to begin with. Has large family; living expenses high. No road into property, has been unable to ship milk."

By Miss Macphail:

Q. Are these all in British Columbia?—A. These are all British Columbia cases just now. I have them from every district. "Reasons for this settler's poor standing miserable condition of home. No effort to improve condition, mostly due to effect of war." "Has good ranch, takes excellent care of equipment for pleasure, looks after stock well, but does not pay enough attention to work." "All reports show this to be good farmer; should make venture success; certainly unfortunate in selection of land." Another instance of a hard-working man with a poor proposition which will ultimately pay. Property in hands of anyone else would have reverted to Board long ago." "No blame to be attached settler; good horseman, hard worker; only fault in 1919 when he grew small fruits; supervisor reports should give up fruits altogether." "Poor land, inaccessible part of country; appears from file that settler's main idea was to build a sanatorium on top of hill, financed by Vancouver party but project fell through." Settler's poor standing due to weakness for cards and strong drink. No doubt proposition slightly over-capitalized. Known as 'Road Farmer'. Here is a case of which we get quite a few. "Son fell off roof of house breaking arm and leg. Girl has infantile paralysis. Whole family sickly." "Bought most of stock and equipment at high prices." That is true everywhere, but in addition to his land difficulties he has much sickness in the family. "Chief cause of failure ill-health of settler and wife." I do not want to read over many of these.

By Mr. Knox:

Q. How about the 22,000 settlers in the Prairie Provinces? I would like you to give a sample of the Prairie Provinces.—A. I will give you some

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in the Prairie Provinces. I will take Alberta first and then Saskatchewan. "Recently sold a number of Board's cattle, proceeds to own use. Has done practically no development on the farm, but we are of opinion that to-day his land is worth \$1,000 more than he gave for it."

By Mr. Caldwell:

Q. What district is that in?—A. In the west half of 20-22-2. "Land not suitable for use as truck garden." "The worst trouble with this settler is that he is lazy. Wife has experienced a lot of sickness and has been in the hospital intermittently since 1919." "This man is a hard worker but has absolutely no sense of responsibility. We find it absolutely necessary to take his crop." "This settler is cock-sure and confident." This is the type of settler for whom everything is going fine, or at least he says it is when it really is not. "This settler is reported to be slow, lacking energy for which his wife is stated to make up. When we purchased property in 1919 only 30 acres broken, only 40 acres now." "Wife teaching music and settler hanging around town too much." "This would make fine mixed farm; bachelor owner and ignorant of up-to-date farming. Gets payments from England from time to time to meet his payments, but if remittance fails he would be on the rack." "This man is an iron worker by trade and would have been well advised to stay with his trade instead of farming." "Until last year appeared to be getting along reasonably well, but was fined \$250 for indictable offense which took the proceeds of his crop to pay." This farm is leased for a year; he has rented it for a year. "This settler is handicapped by having his people living with him. Distance from market and small area of cultivated land." It is difficult to give any sufficient or specific reason why these men have not been more successful. "Was formerly cow-puncher in the South, does not know much about farming and has had poor crops. Learning from experience and will do better in future. Poor manager, and regarded as dishonest."

By Mr. Caldwell:

Q. Where is that?—A. In Mr. Speakman's constituency, east of Innes there. "Wife not fit for farm life; probably responsible for husband's condition." "Purchased quarter section raw land. Price paid not unreasonable although small clearing made. He has improved property considerably." "Hard luck; been haled out and now suffering from compound fracture of leg. Possible result may lose leg. Hospital bills \$250, and doctor bills over and above that." "Good worker, but very erratic, and looked upon as very wild, and needs a wife to look after him." These are in Calgary, and now I will give some from Saskatchewan. I may say, of course, that the hardest cases we have had are in Manitoba. The situation there is very much different. I will read some now from the central Saskatchewan district. "Settler accountant previous to war. Absolutely unfitted for the work." "Very good farm, with careful cultivation should see the heavy overhead lessened. This settler has failed to settle down and spends too much time off farm. Inclined to be dirty and needs summer fallowing." "Settler married with large family, is unfit for such work, on account recurrence war disability." "Man young, rather indifferent methods of business: Incurred debts amounting to \$625 before marriage; settler now married and is developing better." "Settler has good cultivation methods, careful financing necessary. Settler never measured up to task, agricultural experience appears meagre, failure appears to be inevitable." These are all cases of men still on the land, you know. "Chiefly due to lack of sufficient arable land, insufficient pasture. Domestic difficulties cannot be blamed in this case." "Excellent farm both grain and mixed farming, should develop grain growing proposition. Personally think farmer not very energetic." "Married to wife

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in England, his greatest lack sobriety. Proper efforts have not been made in developing farm. No additional land under cultivation in four years." "Settler bachelor; at first in poor health, may not be equal to work. Distance from market detriment." "This farm is considered good proposition, well located; lack of success due to failure to develop farm during the 4 years of occupancy." "Has had stock die or disappear. Not very good." "Reported to be good worker, but has had bad luck and has been hailed out." "Good farmer but addicted to drinking." "Takes good care of stock, but slow bringing land under cultivation." "Lack of sufficient cultivated land is reason for this. Fair worker." "Had very much sickness in the home incurring doctor and hospital bills." Proposition requiring hard worker and development." "Has not set to work." "Chief stumbling block is a weakness for going into debt." "Well thought of in the district, but task too much for him. Poor crops have aggravated the case. Settler very discouraged." "Capitalization is heavy on proposition of this kind; reports on settler are good, reputation of being honest and good worker. Did most of the development in the early years and is now growing tired of it." Of course he has got tired and discouraged, and concessions mean a lot to a man of that type. "Estimated total indebtedness is around \$15,000. Has several cases of land and is trying to do too much." Quite a few cases of that type come along, where the man has got out and bought several pieces of land in addition to the land we bought.

By Mr. Caldwell:

Q. Is he farming extensively?—A. Yes.

Q. Is he farming what land you bought him, as well as the land he has bought in addition?—A. Yes.

Q. One of these ambitious fellows?—A. Yes, although it is a poor time to be ambitious.

By Mr. Humphrey:

Q. Have you any information in regard to the colonization scheme at Lister and Merville? I realize it is not under this Department, but I was wondering if you had any information at all on it.—A. No. We have no information at all.

Q. You have not anything, I suppose, since the last investigation 2 years ago?—A. No, nothing since then.

By Mr. Wallace:

Q. What is the general situation in regard to the Ontario settlement?—A. The Ontario settlement is healthy, on the whole. There are certain districts—and this is true in all provinces—where we made certain bad buys. We have a bad settlement, in fact our worst is in Elgin County.

Q. How is Norfolk?—A. I do not know. I do not think that Norfolk is extra good either. That end there is the poorest settlement; there was too much optimism on light land there in 1919. That is one thing, of course, that the boom period undoubtedly did. There was a lot of land that in times when people were sane and kept their balance was kept in proper proportions, and back in 1919 that looked a lot better than it really was. Where we bought bad land there has been, I think, depreciation because too much was paid, and too much optimism was shown. Where good land was bought, there has been little depreciation except in some districts that have been particularly hard hit. In Carleton County, New Brunswick, that is the situation that is responsible, and in Manitoba there is a situation there of the same kind. The trouble has been over-optimism on poor types of land.

By Mr. Caldwell:

Q. The trouble in Carleton County was that the farms were bought when potatoes were high and the production possibilities looked good. Are the causes of failure in New Brunswick much the same as those you have been reading?—A. Yes. I am sorry I have not the Maritime Provinces here. I did not bring them. The general statement is this, and this is what I wanted to point out, that there is about half of these 4,000 difficult cases or perhaps a little better which are cases that remedial measures will assist. In cases like that of the man who had much extra land—there are several cases I noticed, one where a fellow had been the owner of farms three different times, and had lost them. There are several cases of that kind where they have had land and lost it, but at least half of the cases are meritorious cases. Revaluation would undoubtedly do some good, but to give them the property, so long as you did not let them sell it, would not be any benefit to them at all.

The CHAIRMAN: Now, Miss MacPhail and gentlemen, at the next sitting we will proceed with Major Barnett's evidence again, but before we adjourn I wish to place before the Committee a proposed resolution by Mr. Robinson, seconded by Mr. Carroll, which reads as follows:

"That the regulations of the Soldier Settlement Board as given in circular No. 376, dated February 16th, 1924, be not applied to the cases of the repatriation of Canadian ex-service men."

This is the clause referred to:

"After March 31st, 1924, Qualification Certificates will not be issued to new applicants except,

- (a) To returned soldiers now in training;
- (b) Those who desire establishment assistance on their own lands;
- (c) Those who prior to February 20th, 1924, (the date at which these instructions are presumed to have reached the District Office) have by letter or instruction of Board officials delayed formal application and therefore have special definite equitable claims;

(d) Scotch settlers coming to Canada under arrangements made with Father MacDonell."

I am not asking the Committee to consider this now, but it will appear in the proceedings and at the next meeting we will take it up.

MR. SPEARMAN: I would like to have the opportunity at the next meeting of going over the statement made by Major Barnett and putting a few questions and making a few observations on it.

The CHAIRMAN: Certainly, you will be welcome to do that.

Witness retired.

The Committee adjourned.

HOUSE OF COMMONS,

COMMITTEE ROOM 435,

WEDNESDAY, May 28, 1924.

The Special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers, met at 10.45 o'clock a.m., the Chairman, Mr. J. J. Denis, presiding.

The CHAIRMAN: Well, gentlemen, we are not very numerous, but there are many committees going on this morning, and that is the reason why we were not able to gather more members. We will now proceed, resuming the adjourned evidence of Major Barnett on the proposed scheme of revaluation of soldiers' lands.

MAJOR BARNETT recalled:

The WITNESS: Mr. Chairman and members of the Committee,—After the close of the last sitting I was reviewing a number of cases of what we call "low-grade" settlers. As I pointed out at that time, there are about 4,000 of those low-grade settlers. From this point I want to go on and give some figures as to the deflation that has occurred as far as we are able to ascertain it in machinery, lumber, live stock and land. Before doing that, I want to just say a word about our field staff, because the figures and facts that I give and the visualization that we have of soldier settlement affairs is based very largely on the reports of our field men, as well as the statistics of actual payments and failures. Of the conditions of soldier settlers we must necessarily determine the facts on the reports of our field staff. We have 150 members, scattered over Canada who are travelling continually among soldier settlers. Their average age is 37 years. Practically all of them have had extensive personal farming experience; there may be an odd one who has not had as much as others, but in the West 75 per cent of them have homesteaded and pioneered themselves. 147 of them, all but three, are returned soldiers there are only three who are not, and of the returned soldiers 90 per cent have seen actual service in the theatre of war. Upon enlistment 12 of them were officers and the rest were in the ranks. Upon demobilization 52 were officers and 79 were in the ranks. That means that 40 won their commission in the field. I am giving that to show the type of man of whom the field staff is composed. 28 of them won decorations for distinguished service, and a very large number of them were severely wounded. We have among them quite a few fellows badly crippled. I am just mentioning this in order to show you that this is the type of man likely to be sympathetic to the soldier settlers, and not likely to take a point of view that is antagonistic to them. I am speaking of them as a whole. The very fact that practically all of them were in the ranks, practically all of them saw service in the ranks in the army, and the general course in the army is of such a character as to warrant the assumption that they are fair and sympathetic in their treatment towards the settlers. We have checked them in every way possible; we have eliminated the men we felt were weak so far as we could. I do not claim that we eliminated all the weak ones, but practically all of them as far as we can get it from outside checks; from Reeves of municipalities, from other people going through we are satisfied that we have a very high calibre of man in our average field men.

Coming now to the question of deflation in the value of land, live stock, machinery and lumber, there are one or two facts with respect to the amount of money that we have expended that I want to give. The high prices were in 1919 and 1920. The collapse came, as far as farm products were concerned, in the fall of 1920, shortly after harvest in the west. Leaving out those cases where settlers have repaid their loans, and there are nearly 1,000 of those; leaving out the cases of the men who have abandoned, and there are 4,400 of those, we have expended for the settlers who are now on the land and who were established to March 1921, on land purchased for them, thirty-three million dollars. For the same class of settlers but only up to the end of the calendar year 1920, up to the end of December, we had expended for live stock seven million dollars. That leaves out the men who have repaid their loans and the men who have been salvaged. I want to get it down to the men now on the land. For these same settlers we have purchased machinery amounting to between three and a half million and four million dollars. We purchased building material, practically all lumber, amounting to about three million dollars. In dealing with deflation, I want to deal with live stock first, because that is the simplest. There is no likelihood of any disagreement as to what the actual deflation in live stock is. The deflation in live stock has been estimated in a great many of our districts, I think a majority of them, around fifty per cent. In some districts it is very much more than that, while in other districts it is not that much. Striking a Dominion average, it is probably between 50 per cent and 60 per cent. That is, the prices to-day are between 50 per cent and 60 per cent lower than they were in 1919. Personally it is no less when you come to take into consideration the fact that so far as we are concerned, we include in live stock hogs and poultry, which comprised a very considerable amount of that seven million dollars. Not a major portion of it, but it runs into a very considerable amount of money which was expended on hogs and poultry, and those things were turned over. They turned over very quickly, and deflation does not have the same effect as it does on horses and cattle, which are more permanent live stock. The hogs and poultry were being replaced continually. But on a 60 per cent deflation, assuming a 60 per cent deflation on the total, it means the settlers who were established in those years, 1919 and 1920, are carrying a debt of four million two hundred thousand dollars which does not exist in present day prices. I mean that four million two hundred thousand dollars is the same as water; it has disappeared as far as the live stock is concerned. That is 60 per cent of seven million dollars. On implements the situation is different. I had every district office make a comparison of the ten principal implements used in each district; at least, I have them from Toronto west. We compare the prices paid for machinery, for these ten implements by soldier settlers in 1919 and 1920, and what they would pay to-day for the same ten principal implements in use. In Toronto they would have paid in 1919, or rather implements that cost \$714 cost in 1920 \$821, and cost this year under present prices, 1924, \$840. In Prince Albert, implements that cost \$989 in 1919 would cost in 1920, \$1,090, and in 1924, \$1,167. In Winnipeg there is a little variation in the price of the Massey-Harris Company and the price of the International Harvester Company. The ten main implements used in Manitoba, taken from the ten implements that we bought most largely, would cost \$1,073 in 1919, \$1,143 in 1920, and \$1,224 in 1924. That is the Massey-Harris prices. The International Harvester Company is a little lower all along the line for the same ten implements. They would cost \$1,014, \$1,094 and \$1,175. In Regina the ten implements used there cost \$1,107 in 1919, \$1,164 in 1920, and would cost \$1,394 in 1924. In Alberta I have not the figures for 1919, but they are lower, just the same as in the other districts; higher in 1920, and still higher in 1924. Take in Calgary, in 1920 they would cost \$1,251; in 1924 they would cost

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\$1,340. I have not the figures for 1919. In comparing these prices we took the actual purchasing orders that we used in our own business and got the price on them brought right up to date. The price of implements has increased since our settlers were established by 20 per cent to 30 per cent in 1919, and from 10 per cent to 15 per cent for the settlers established in 1920. That is, the man established to-day has a disadvantage rather than an advantage as far as implements are concerned as compared with the man established in 1919 and 1920. The man established in the early years had an advantage running from 20 per cent to 30 per cent, and from 10 per cent to 15 per cent over the man established to-day. That, of course, is one of the things that makes it difficult for soldier settlers, in common with all farmers, as far as implements are concerned, and I will show you that the same thing is true with regard to lumber. It is not the fact that he bought at an inflated price, because he bought less than he could buy to-day but it is the fact that while the commodities that he has to sell have gone down, other commodities have, in a great many cases, gone up, and it is not the case of inflation at all so much as it is that feature of it.

By Mr. Caldwell:

Q. Have you ever had any sound opinion as to why this should have happened, the price of one commodity going down and the price of another going up?—A. No, that is a difficult thing.

Q. Especially where the one commodity has to be bought in order to produce the other commodity, of which the price has gone up?—A. Yes. The point that I am making, at least I admit deflation on live stock but as far as lumber is concerned, and machinery, the tendency has been all the other way, and taken in the aggregate—because it is in that way you must take it—it is because of that tendency that the difficulty has arisen. It is not a case of deflation or inflation so much as it is that situation, that the other things have not dropped.

Q. It is a case of the wrong article being deflated, while the other articles are inflated?—A. Yes. I have the actual figures here, with regard to lumber, but I do not want to burden you with the actual lumber bills that we have filled. This is the way in which we got this comparison; I instructed every district office to go through their figures and take a substantial lumber bill off a settler's file, make a copy of it and go to the same lumber concern that filled the order in 1919 and say, "Here, what is your price on this specification", but not to tell them it was only for the purpose of comparing prices, but instead to have them give the prices as though they were going to have it filled. This is the result we got, without going into the actual details. We bought for a settler in the Calgary district in 1919, a supply of lumber to erect buildings, that cost \$823.33. That same bill of lumber, from the very same firm that we bought it from in 1919, would cost to-day \$978. Another bill in the Calgary district that cost \$1,044. for the settler to whom it was supplied, would cost to-day \$1,023. There is a slight lowering in that particular case of \$20. The other bill is up. The reason for that is this, that there are some classes of lumber that have gone down in price, but the general tendency, as you will see from the figures I will give you has been upward rather than downward, although there are a few cases of lumber that has declined.

Q. Did you get a 10 per cent reduction on lumber that you bought for soldier settlers?—A. Yes.

Q. And was that taken in this case as well?—A. Yes; it was taken exactly the same, with the same reductions. Take in the Saskatoon district, a lumber bill that we paid \$599 for in 1919 would cost us to-day \$786. A lumber bill in Saskatoon that cost us \$500 even in 1919 would cost us \$553. Take in Regina, a bill that cost us there \$695 in 1919 costs us to-day \$985. A lumber bill that cost us \$740 there costs us \$794. These bills are not the same, it is

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not the same material in each case. You would have to go through to pick out the type of lumber, for the reason that some lumber has gone up more than other kinds, while some classes have gone down. In the Edmonton district a bill of lumber that cost us in 1919 \$419 would cost us to-day \$450 if we were to supply it to the same settler. Another bill there that cost us \$742 would cost us \$854 now. In the Prince Albert district a lumber bill that cost us \$1,000 in 1919—that is, we actually paid that bill of \$1,000—would cost us to have it filled to-day from the same concern \$1,054. Another one that cost us in Prince Albert \$830.74 in 1919, if we had to buy for that settler to-day would cost us \$867 from the same concern. In 1920 the prices are a little lower than in 1919, on the average. In some cases they run a little below the 1924 prices, but the average is generally higher, although not as much below the present day price as the 1919 prices are.

By Mr. Wallace:

Q. Have you any comparisons in eastern Canada, in Ontario?—A. I have for 1920 in Ontario. Of course we did not buy much lumber for settlers in the eastern provinces. That is one reason why I did not make comparisons in eastern Canada, because most of the places had buildings on. In the west there was a very large amount of building to be done. That was where most of our lumber was supplied, although we did buy a little in Ontario.

By Mr. Caldwell:

Q. Of course, your lumber prices would be higher in the west?—A. Yes, they are higher. I have not Toronto here at all; I thought I had, but I do not see it.

Q. The difference would be greater, too, between 1919 and now in the west than in the east?—A. Yes, but it amounts to so little in the east that it is hardly worth considering. It does not make much difference; it is the western settler who has been affected one way or the other. The point is this, that on both machinery and lumber the settler who was established in 1919 and 1920 has a district advantage over the settler established to-day, as far as the matter of deflation or inflation is concerned. That is the point I want to make clear.

By Mr. Knox:

Q. Would you mind referring to the live stock for a moment. In regard to the cattle, I think you said 50 per cent to 60 per cent lower?—A. On all live stock, roughly, the whole thing.

Q. Would cattle be different from horses, then?—A. Yes, if you were buying general cattle; there probably would not be as much deflation in milch cows as in other cattle. I mean that is the thing we had to buy when we bought for settlers. We endeavoured to buy for them a fresh cow, so they would have a milking cow right away. You go out to-day to buy a cow that is fresh and milking, and you will find that the deflation is not as much on that as on another animal.

Q. Probably that would be the explanation. Unless that explains it, I do not think your figures would reflect the same depreciation as we find in the finished article sold off the farm. There is much more than that.—A. That may be, but we are dealing with it from the point of view of the thing the settler had to buy, and the biggest part of our cattle purchased for them were milch cows. That comprises more than two-thirds of the cattle purchases that we made. That is a special commodity, it is a local demand commodity in a way, and it is not affected so much. There is no question about that, I think. Any one who follows prices of milch cows in any district, particularly the fresh cow, the cow that is milking, will find that the depreciation that has taken place there is not certainly over 50 per cent, and in a great many districts it is under

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that. I can take you to district after district in Canada where it is under that, and you must understand that I am speaking now of averages for the whole Dominion. I am not centering in any one district, but averaging on the deflation over all Canada, and on all live stock, including hogs, cattle, horses and poultry. The average deflation I am assuming to be 60 per cent on the whole thing, and I think that is a fairly general assumption when you give the average for the whole Dominion. Now, land is the next thing, and in the land situation there is a very great difficulty in arriving at anything definite. Dealing with lumber you can take a lumber bill and go to the same concern that supplied you before, and get a price on exactly the same things; there is a market for it. Live stock is more or less the same, although when you get down to the question of the type of animal we were just speaking of, that is milch cows, fresh milch cows, there are personal likings and personal inclinations that enter into those prices some times. In the case of land, very often a man will pay more because a parcel of land has a bluff on it in a particular location, or because it has a brook on it in a particular location, or some other thing; he will pay for that, because it attracts him, and he will pay more for that piece of land than for another place equally as good and equally as productive. In buying land, the man is not only buying a piece of land to produce, but he is buying a home. There are two things that are involved in it that make it hard to follow values. You have to take the home angle of it when you get on to the question of the cost of land. In our Vancouver district where we have over 2,000 settlers established, the home end of it in a great many districts is the biggest thing. It comes closer to a rural housing scheme than it does to a farm scheme in a great many cases. There are only two or three ways by which you can get any concrete evidence as to what is the situation with regard to land. The first evidence that we have that at least is concrete—I do not argue for a moment that it is conclusive at all; I am not arguing that, because on the land question you can get no conclusive evidence one way or the other. I am quite frank in that, that you cannot get conclusive evidence, you cannot prove mathematically whether there has been an inflation or a decline over the whole of Canada, but at least it is some evidence, some tangible evidence, in the sales that we have made. I am not going to give all the figures, but I want to take for the first thing, because this is the first concrete evidence, the actual places that we have sold during the past year. I am not going to run through all the provinces, but I will take the Maritime Provinces first, and then the prairies. We have sold one place in Prince Edward Island in the last year. I may say that we have not very many places to sell in Prince Edward Island; I think we have only four or five altogether, on our hands there. It does not amount to anything, and I think for the most part they are bad buys that we have.

By Hon. Mr. Sinclair:

Q. Did I understand you to say that Prince Edward Island does not amount to anything?—A. I said our salvage there did not amount to anything. The place that we sold in Prince Edward Island we paid for the land \$1,440, and the settler paid nothing for the place; he did no improvements, and according to our field man the failure was due to the settler's inexperience and indifference. After it had been vacant for two or three years we sold it for \$1,440, all cash. In November a place in Cumberland County that we paid \$855 and the settler \$95, a total of \$950, for,—the settler never occupied it at all, but worked in the shipyards, and later moved to the United States. After salvage, the Board recovered \$1,600. During this last year we resold that for \$1,600, the land that cost altogether, the settler and ourselves, \$950, and we got \$1,240 in cash on the deal. We are not afraid of that place coming back on our hands then, because we got more than we had in it.

[Major Barnett.]

By Mr. Caldwell:

Q. Have you many cash sales like that?—A. Quite a few.

Q. It would be a small percentage, though?—A. Yes, the percentage is small. I would not argue that it is large. There is another one in Cumberland County. We paid \$2,880, and the settler paid nothing. The supervision reports show the settler to have been mentally deficient, dishonest and a heavy drinker. We sold that place for \$4,000 and got \$2,100 in cash. These are all in the last year; I am only taking the last year's sales. Here is another case in Colchester County; we advanced \$1,350 for the land and the settler paid \$150, a total of \$1,500. The settler never worked the place; he was employed elsewhere as a butcher, and was charged in the courts with bootlegging. We resold that for \$1,350, only getting a small payment down. Another case in Yarmouth County we advanced \$2,700 and the settler \$300, the total cost being \$3,000. This settler was energetic and industrious, but had ill health and was discouraged by the poor conditions. We resold that one for \$2,800, that is \$200 less than the total price, but \$100 more than we had in it.

By Mr. Humphrey:

Q. In the case where you sell a salvaged farm where a settler has made a payment and you make a profit out of that by the resale, do you refund anything to the settler?—A. Yes, much against our will in many of these cases. Take this fellow in Cumberland County for whose place we realized \$4,000, and who had very little in it. He never did a thing on it; he was dishonest with us and everybody else, and yet we have to return to that fellow the difference between \$2,800 and \$4,000.

By Mr. Caldwell:

Q. Is that right?—A. Yes, the surplus is his.

By Mr. Humphrey:

Q. That is an isolated case?—A. There are lots of them, although the percentage is not large.

By Hon. Mr. Sinclair:

Q. In all cases, if there is a surplus, you return it to the soldier?—A. Yes, but in a case like that we charge up every cent of expense that we can charge to it, before we refund anything.

By Mr. Caldwell:

Q. Out of the surplus?—A. Yes, to cut it down to the absolute minimum that is possible. Every trip that a field man took is charged to it, and everything else we possibly can charge.

Q. Have you any figures as to what he actually did receive?—A. No.

Mr. HUMPHREY: You must have been assisted by the legal fraternity in that case.

By Mr. Wallace:

Q. Assuming you had a farm on your hands for two or three years, and then sold it, what would be the situation, would you return the difference just the same?—A. Yes, the law provides that the difference, any surplus realized, is to be paid to the settler. Of course, in that case we would charge up interest to him, and he would have to have a large surplus to get anything. There are cases where we have returned money on sympathetic grounds, where the settler was honest and hard-working, but simply got discouraged or something like that, and by Order in Council we have practically knocked the interest charges off to give him something.

[Major Barnett.]

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By Mr. Caldwell:

Q. That is where there was no surplus?—A. Yes, where there is a surplus, but there would not be if we charged up all the interest and everything like that. This case in Yarmouth County, the Board advanced for the land \$1,080 and the settler \$120. We put up \$300 for buildings, so the total was \$1,500. There were only four acres of this property, it never was a farm, and we sold it for \$1,500, on terms of \$1,000 cash. That property was sold to a doctor. Here is one in Halifax County, where we advanced \$2,700 and the settler \$300, a total of \$3,000. We sold this for \$2,450, and lost money on that place on our own deposit. We lost \$550 over the original purchase price. Another case in Cumberland County, the land cost us \$2,800 and the settler paid nothing. We advanced for buildings \$1,000, so the farm cost us altogether, including the settler's 10 per cent, and the amount we advanced for buildings, \$3,800. We sold it for \$4,325, that is \$400 or \$500 more than the total amount put into it. The payment on that was 10 per cent, that is \$430. Another case in Colchester County, where the land cost us \$2,500, and the settler paid nothing, and we sold it for \$2,600. The original settler was a plumber by trade, and not a farmer at all. That was sold on a 10 per cent basis. Here is one in New Brunswick, Carleton County. We bought a farm for \$5,000, or rather we put in \$4,500 and the settler paid \$500, a total of \$5,000. We sold the farm for \$4,500. Another one in Carleton County, we advanced \$1,800 and the settler \$200, a total of \$2,000. We sold it to a civilian for \$1,850. The farm was purchased originally from the settler's father, so it was practically a family deal. Another one in King's County, we advanced \$3,600 and the settler \$400, totalling \$4,000. We resold this for \$3,800. In this case the settler was discouraged by the low price of products, and quit on that account. The new purchaser is putting a lot of improvements on the place; he paid 10 per cent in cash, and has done a lot of improvements on the place, so it is much more valuable now than when it was sold. Another one in Queen's County, where we advanced \$1,800 and the settler \$200, a total of \$2,000; we resold this for \$1,800. In that case the settler's 10 per cent was lost. Another in Queen's County, we advanced \$3,000 and the settler paid nothing. We resold that to a civilian for \$3,000, a 10 per cent payment. The land was at one time owned by the new purchaser's father, and the buyer had previously lived there for 18 years. Whether there were any sentimental reasons or not, he paid us the same amount that we paid for it. Here is another one in New Brunswick, I do not know what part of the province it is in, but we paid for this \$2,250 and the settler \$250, the total cost of the land being \$2,500. We sold this for \$2,000, \$500 in cash. In that case, you see, we lost money. Another one in York County, where we paid \$1,350 and the settler \$170, we resold for \$1,675, of which \$200 was cash. Another one in Northumberland County, we advanced \$2,160 and the settler nothing; we resold that for \$1,800 and lost \$360. Another one in Carleton County, the land cost us \$3,100, the settler paying nothing, and we resold it for \$3,600, \$1,600 in cash. Another one in Victoria County, where we advanced \$4,400, the settler paid \$700 and the total cost, therefore, was \$5,100. We resold that for \$4,500. In that case, all but \$100 of the settler's \$700 disappeared.

By Mr. Caldwell:

Q. How much did you get out of it?—A. 10 per cent, \$450 cash. Here is another one in Carleton County where we advanced \$4,500 and the settler \$500, a total of \$5,000. We resold the farm for \$4,500.

Q. How much cash?—A. 10 per cent.

By Mr. Speakman:

Q. There is just one point there. I understand that where you resell at a profit, the surplus is returned to the settler?—A. Yes.

[Major Barnett.]

Q. When it is resold at a loss, the loss is debited against him as a personal account?—A. Yes.

Q. He carries the loss with him?—A. Yes, he carries it on paper.

Q. But in a case, for instance, where a man might possibly have bought a farm but not exacted his homestead rights, he takes up a homestead but the loss goes with him to that homestead, and stands as a lien against it?—A. Yes. Just digressing for a moment, that is one section of the Capital Act that I think should be discretionary with the Board, working both ways. We are adopting this as a policy, but I think it should be a law; I think the Capital Act is unfair in that respect, that the loss follows the man. Even supposing a man is no good, he thought he was a farmer, and we checked him up in every possible way. He was probably born on a farm and had been away from it for a number of years, but he was brought up on a farm and wanted to go back. He goes back and proves absolutely unadapted to it; because of the years overseas and the years before that after he left the farm, he is not adapted to it at all. I do not think we should have a judgment against that man's future for ever. I think that is one loss that the country ought to stand. They should say to the man, "You are free; I know this is an unfortunate adventure that we went into; it is unfortunate from your point of view and it is unfortunate from ours, but we are not going to follow you the rest of your days with this deficit that has arisen out of the thing." There are cases where the man has been dishonest, but even then there should be discretionary power with the Board to follow him and hold it against him. In the same way, there should be discretionary power as to paying this surplus. The man who has been dishonest, who has never lived a day on the farm, why should he take out \$1,000 or \$2,000 from the place? It does not look right or reasonable to me. We have cases where the man never went near the farm at all, and we have sold it at as much as \$2,000 more than was in it, and he never had a dollar in it at all, but he receives a refund of \$1,000, and I do not think it is fair to the other men who are staying on.

By Mr. Caldwell:

Q. I did not know that was done; I simply thought the refund was paid in to you.—A. No. As I have said, in these cases we try to charge up everything that we can, manufacture charges against the undeserving cases.

Q. You do not mean manufacturing charges, but charging up everything possible?—A. It is manufacturing to that extent, but I did not mean manufacturing exactly. I mean accumulating all the charges possible in cases like that.

By Mr. Speakman:

Q. That is a point that is worth remembering, because it is becoming rather important?—A. I certainly think that is one thing that the Act is altogether too drastic in. Even in the case of the poor man who does not make much of a fist of it, he does not prove adapted to it—

By Mr. Caldwell:

Q. Have you ever collected any of these deficits?—A. We have collected a little, we are not collecting very much now. Some of the offices, a couple of years ago, read the section in the Act and felt that it was their duty to try to collect it, and they did. They are not very numerous, and we then laid it down as a policy that we would attempt to get no judgments or follow anybody except the case of a man who had been guilty of some serious wrongdoing.

Q. What about the man who sells off his crop and his stock and puts the money in his pocket, and goes to the United States and gets away with a good bit of money?—A. That man should be followed.

[Major Barnett.]

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Q. Can you follow him? Can you extradite him?—A. It is a criminal offence, but you would not make much headway in trying to extradite him. It is not worth the effort to try and do it. We have punished men where we could get them. There have been probably 30 or 40 cases altogether where we have had men arrested and convicted of disposing of mortgaged crops.

By Mr. Speakman:

Q. My point was not so much that this Capital Act was enforced, because I do not believe it is. It was not so much that any large amount of money is collected under this provision, because I do not believe it has been, but my point was that quite a number of these men—I am speaking now of cases which I have looked into myself—for fear of this provision because they knew it was hanging over their heads, hesitated over either farming if they had the opportunity, or taking any other employment in that neighbourhood, knowing that if they did make good this hung over their head?—A. It undoubtedly has had that effect.

Q. It is a moral discouragement?

By Mr. Caldwell:

Q. I should think it would also have a tendency to make them migrate to the United States?—A. There is no doubt about that. They will come to us and want to know what is going to be done, and we cannot say, "Here, we are not going to try and collect this from you"; the Capital Act says this is a charge against them. We are administrators of that Capital Act and we cannot tell any man, "Well, we are not going to bother you any more".

Mr. WALLACE: There should be a provision for some discretion in these cases.

By Mr. MacLaren:

Q. Could Major Barnett tell us the number of farms that they hold now, that they have had to take over, in New Brunswick? I think you had completed the New Brunswick list.—A. I think it is in the statement that you have. We have 97 farms on our hands as of March 31st.

Q. 97, that you wish to dispose of?—A. Yes, in New Brunswick.

By Mr. Caldwell:

Q. And how many of the salvaged farms have you resold in New Brunswick?—A. 57.

Q. And what has been the result of these 57 sales, the net result?—A. On these 57 cases the amount we paid for the land was \$113,638.

Q. Does that include the soldiers' deposit?—A. The amount of initial deposits in addition to that is \$1,839. The amount disbursed for permanent improvements \$1,033. The total amount disbursed for lands is \$116,565.

Q. That includes the soldiers' initial payment?—A. Yes, and what we paid for improvements, fencing or anything like that. We have received on paper—of course you understand that many of them are nothing more or less than on paper. We are selling on time and we get a cash deposit, and the rest of it is an Agreement for sale. We have received on paper \$129,255, as compared with \$116,565.

By Mr. MacLaren:

Q. What method is adopted in selling these farms?—A. They are posted for sale first.

Q. Where?—A. In the district where the farm exists, and anywhere else—

By Mr. Caldwell:

Q. Advertised in the local papers, are they not?—A. Yes, to some extent, although we are cutting that out because we were not getting any results

[Major Barnett.]

from that. We post them wherever the district office thinks it best; on the farm, in the nearest post office, and in the nearest store, but they can post them anywhere else they think they might be of interest to somebody and then after that is done tenders are called for on the farm, and we generally get a lot of tenders we do not accept. We very seldom sell a place on a call for tenders, because everybody thinks they are going to buy it for half the value. Then following that the Field Supervisor is given a list of people to look up, prospective purchasers, anywhere he may get them.

Q. Have you sold any on tender?—A. Yes, the odd one.

Q. Have you sold enough to make you think it worth while continuing that?—A. We have to, in order to insure legal formalities of the thing. If you go out and negotiate a sale by private tender for say \$3,000, a man may come to you and say: "I would have paid \$3,500 for this property, and you have sold it for \$3,000," whether he would have or not, and to protect ourselves we put them up by tender. Very rarely do we sell on that, and then we negotiate a private sale, because so long as that sale is higher than any of the tenders we are perfectly safe.

By Hon. Mr. Sinclair:

Q. When you negotiate a private sale, do you let the man take the place of the soldier in the final settlement?—A. He is on the same terms as the soldier settler.

By Mr. Robinson:

Q. Has any arrangement of that kind run for any considerable time? Are these men meeting their payments better than the soldiers?—A. Yes, fairly well. We have had 21 among these new buyers of land who have thrown up their hands. That is three per cent.

Q. In New Brunswick?—A. No, that is all over Canada.

By Mr. Caldwell:

Q. Do you find your sales are made in this way; that is, that these salvaged farms are sold to some farmer who owns the farm alongside, and buys this land in addition to his own, and therefore is not in debt. Possibly 90 per cent of his holdings he has in the clear?—A. Yes, that is quite true; that does happen. As a matter of fact, looking at it purely from the business point of view, we much prefer to sell to the man who is alongside. That is the first man we go after when we go out to negotiate a private sale. The thing is for the Field Supervisor to canvass the neighbourhood, sizing it up as he passes through the district, who might be a likely purchaser, and he is the man we go to first, he is the man we look to.

Q. The fact is, in these sales, there is a much better chance of re-payment than to a man who has no other holding?—A. Yes, quite so.

Q. In considering the depreciation of land, I was somewhat interested in reading this report, which by the way, is a negative report on the subject. It states in one place that they had no evidence that there has been a depreciation of the land values. In the same paragraph he says there has been a very material depreciation in farm produce. Now, what sets the value of land? Is it the power of the land to produce?—A. Not entirely.

By Hon. Mr. Sinclair:

Q. That is fairly representative of conditions. The price of land has not gone down.

By Mr. Caldwell:

Q. If you are selling these farms for cash and getting greater value for them than you bought them for, it does establish the value of that land in a

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way, but where you are selling them on time and you are only getting the promise to pay, it is an indication to me that you are selling to a man who knows less of the value of land than the man who bought it originally. We will all admit that the chances of paying for it to-day are much less than they were in 1919, because if you cannot pay for it out of the production of the farm, what is your chance of re-paying it? There is no question about it, the price of farm produce has depreciated 50 per cent at least, and more than that in the Maritime Provinces outside the fruit belt. A. That is the thing I pointed out at the start, when a man buys a farm he buys more than that, he is buying something to produce, but he is also buying what the man in the city buys when he buys a home. The man in the country is also buying a home.

Q. I was on the Board in New Brunswick and we turned down a number of farms that were good value for the money, considering the buildings on them, but we did not consider them to have had the producing value. That is, we could buy an up-to-date home with bathroom and so on, but while it was worth the money asked for it, we did not think the man could pay for it, and it was later sold for cash to a man who had money to invest in a home.—A. Of course, I quite agree with you that from a settler's point of view, if you are going to establish a man, that is the point of view we should have, what the land will produce, but why put that up as the whole thing? Is not the value of land what the land is bringing?

Q. You have to consider the possibilities of the man paying for it?—A. Yes.

Q. If he cannot pay for it, he will lose what he put in?—A. Yes.

Q. We pointed out that if a man could not pay for it, he would lose what was in it. He would have no possible chance of paying for a great big set of buildings with a very small farm?—A. But on this question as to whether these sales offer any evidence as to the deflation of land from a colonization point of view, the productive value of the land, what the land will produce, should govern the price paid for it, but when you get down to what is the value of land, you have to take it just the same as any other commodity. The value of land is what land will bring in the market. You can never convince me that land in British Columbia is worth \$400 or \$500 an acre; you cannot convince me that the productive value of the land is there, although the British Columbian will argue that it is so. But if you want to settle in those parts, you have to pay that price, because that is the value of land there.

Q. I am afraid I did not make my point clear. From one point of view you are right; the man who has the money to pay for a home as well as the farm is all right. But when you look at it from the point of view of the possibility of the man repaying this loan, we must consider it from the point of view of the productiveness of the farm?—A. Of course, I am quite prepared to admit that from that point of view, there is something in the argument, but at the same time I am saying that whether there has been a deflation in land values or not, you have to take into consideration in establishing your land value, the actual sales. If land in the Fraser Valley in British Columbia will bring from \$200 to \$500 and \$600 an acre, even although you cannot see where a man can pay interest on that amount of money from the land, still if you want to settle there that is what you have to pay. That is the value of land in that section of the country.

By Mr. Speakman:

Q. I believe, Mr. Chairman, that these are two different angles, and I think that the angle from which Major Barnett is approaching it is a perfectly fair one, but I think the Major is establishing now the market price of the land as established by sales made. We must later approach it from the point of

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view of men on the land, and the merits of this settlement scheme.—A. What I am trying to say is this: has there been any deflation in land values? If I were dealing with the question of whether the settlers can pay for the land, or not, I would deal with it in an entirely different way, but what I am trying to show now—and I do not claim that this is conclusive evidence; I have simply gathered up such evidence as I could find, and the first thing is our own sales on what the price of land is. I want to run over just a few more of these—

By Mr. Knox:

Q. You do not exercise any supervision over these men who purchase salvaged land?—A. Supervision enough to get our money back.

Q. That is the only kind?—A. That is the only kind.

Q. In some cases, I suppose, returned soldiers buy these lands?—A. Yes, but very seldom. I will tell you why. Most of the returned soldiers that bought salvaged lands were settled on them two or three years ago. We have been gradually drawing away from selling to another returned soldier. There is a sentimental something attached to a place where one man has failed, that is against placing another returned soldier on that same place unless the place is an outstanding one. Wherever we sold to a returned soldier, in most cases we have taken losses. We are so afraid of over-selling to the new man that we cut our values very much on salvaged properties. You take a number of cases where we have sold good properties, and I think if we had held on to them we could have got quite a bit more from a civilian than we did from the soldier. At the time, however, we had no takers in for the land, and a soldier settler came and made an offer that was in accord with our valuation. You see, we are very careful with a returned soldier buying a salvaged place. Every day I am turning down offers on salvaged farms from returned soldiers because they are too high. They want to get the place, and they put in a tender higher than other people, and higher than our valuation, and we will not let them buy our own farms at a higher price than we figure them worth.

By Mr. Caldwell:

Q. What do you do in that case?—A. We try in that case to get as high a price as we can from a civilian. We have a duty to perform in getting the best price we can for salvaged land, but we have also a duty not to put a soldier on a piece of land that is too high priced, and we consider that is the more important. That does not necessarily mean that our value is less than we paid for it. We may have paid \$3,000 for a property and revalue it at \$3,000 the same as we paid for it, but a returned soldier comes along and wants to pay maybe \$3,500 or \$4,000.

Q. Is it because he does not know what the value of the land ought to be?—A. We felt that a soldier was very anxious to buy the land at the price asked by the owner, and we were able to buy it for \$100 to \$1,000 less after our inspector had gone out and driven with the vendor?—A. Yes, that is quite true.

By Mr. Speakman:

Q. I came across an interesting case; I am not going to give the names, showing some light on the manner in which some sales are conducted. There was a property occupied by a soldier settler which was salvaged because the settler was not carrying on the duties as he should have been. In any case tenders were asked for as you suggested. None of the tenders were apparently satisfactory; that is, they were all below the price which the Board was disposed to accept. The district officer who had that case in charge, wrote to one or two of the men informing them of the highest tender, and suggesting that an increase of a given amount, stated in the letter, would probably secure the place.

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I read the correspondence in each case. The one letter was sent to a farmer in the neighbourhood, and he suggested that an increase of \$300 over the highest tender would give him the place. The farmer wrote and made the offer of the increase of \$300. The district officer then wrote to one of the returned men who had also tendered, and informed him they had received an offer now, giving the latest offer, and suggesting that a raise of \$200 would secure the place. Against my advice, because I knew the price was too high, he wrote accepting the latest suggestion and purchased the place at the increased price. That is a case where failure is absolutely certain, and I wondered how often the private sales were made in that way?—A. No; wherever we get track of anything like that—

By Mr. Caldwell:

Q. I should think it would be very unorthodox?—A. We never try to play off a returned soldier either against another returned soldier or anybody else, but quite frankly, we do the same as anybody else in trying to play off one civilian purchaser against another. If we get two men bidding for a piece of property, we try to get them as high as we can. We have a duty to perform in selling that land, and we try to get the best price we can for it.

By Mr. Speakman:

Q. This case came under my own personal observation.—A. I have run into, I think, three cases of that, where the same thing happened. They have not been numerous, as far as they have come to my attention. There are three that I know of where action had to be taken against the district office for the method followed. It is not customary, as far as we are concerned at any rate, and we have had one man intermittently checking these sales as far as possible, and we also check the auction sales on salvaged equipment in various districts. We have asked reeves of municipalities and people like that to assist us in checking up, getting an independent report, because that is the only way.

By Mr. Caldwell:

Q. Major Barnett has given us a pretty good idea of the resales of salvaged land. Does that include stock and equipment?—A. No, that is just land and permanent improvements.

Q. What has been your experience in regard to salvaged stock?—A. I did not prepare any figures on that, because if you take a bunch of half-starved stock that has not been fed, or a bunch of old machinery, each case has to be dealt with practically individually, and I did not feel that there was any point in dispute. I felt that on the matter of deflation of stock equipment—

Q. But as a general statement?—A. On stock and equipment we lose on our resales from 60 per cent to 70 per cent.

Q. Would you say that applied to machinery?—A. Oh, yes. Of course, you have to remember that most of this stuff that has come back, half of the normal life is gone as far as the implements are concerned. Say they were bought in 1919 and we sell them this year, then we are selling a bunch of second-hand stuff. You have that in addition to your deflation on live stock. I think, quite frankly, that the loss would be greater than that only for the increase in some cases in the prices of agricultural machinery. We think we do pretty well if we get 40 per cent of the value of the live stock and equipment.

Q. That is about the average?—A. That is what we call a good sale, if we can get 40 per cent of what we put in.

Q. In fact, I knew of a horse sold at one of these sales where the officer had to buy a \$2 halter to put on the horse before the sale, and then it was sold for \$3.50, halter and all.—A. Yes, that is quite likely.

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Q. The horse would probably have cost the Board \$100 three or four years ago? That, of course, is an abnormal case?—A. Of course, there is a very large number of these salvage cases where we get the stuff back in very bad shape; it has been neglected, it has been scattered all over the neighbourhood, it has not been fed in a great many cases; it may have been replaced with something that is not as good as the actual animal we bought originally, and in all case we have the fact that we are selling second-hand implements, half worn out, and if they have not been housed well and looked after well, their value is next to nothing.

Q. Implements that have been well housed would bring in a price that would merely offset the wear and tear on them?—A. In the west,—.

Q. They do not house their implements there, I understand?—A. Not in many sections; lumber costs so much that it is almost more expensive to house them than to replace the implements.

Q. We think of housing our implements in New Brunswick as we do of buying them in the first place.—A. Yes, but you take in the hands of a careless man, the ordinary life of an implement is figured at ten years. A lot of them going into salvage now have been on the land four or five years, so half the life of your implement is gone even with reasonably good care. That undoubtedly is a big factor in reducing the amount we are getting at sales, and then the horses that we paid \$100 for, in some cases \$150, are not worth very much, probably, in the market to-day. You see, there is this distinction. Take a good team that we bought when we settled a soldier; if we bought him an expensive team, that is, a heavy, well matched team, there has been less deflation. That team will command a price. This medium or low grade stuff you could hardly sell at all to-day.

Q. In New Brunswick a good team, a heavy work team, will always bring a good price. The scrubs are not saleable at any price.—A. That was one thing.....

Q. Because our lumber men pick up the heavy teams for the woods in the fall of the year.—A. In 1919 a lot of scrub stuff brought a price; in fact, that was the only stuff a lot of people could buy. When deflation came, it knocked the value out of these things altogether. Our men in western Canada pretty well agree that one reason why the land we have bought has not been subject to deflation as much as other land is because there it is the medium, in between the high priced and low priced land. You take the deflation that has occurred, a real deflation, it reached an extreme where you had this \$75 and \$100 an acre land. Take in the Prince Albert district, we have the consensus of opinion from a dozen different men who know something of the value of land, independent of the Board altogether, and they all agree that the medium priced farm, is the one that has scarcely been deflated at all, but the high priced stuff, say in a district like Milfort, east of Prince Albert, the prices there have tumbled. In the same way, the poor stuff, where we bought a farm which we should not have bought at all, that farm in these days is unsaleable. That is the situation. The point I am trying to make is that the land, the great body of our land has suffered less from deflation than any other. A good deal of the credit is due to the men who were sitting and passing on the loans and judging this stuff in the early days. It is not due to the administration so much, but to the care which was exercised. In the districts where care was not exercised, where we got the poor stuff, or got inveigled into paying these high prices, there has been depreciation there. There is no question about it.

There are just one or two more here in New Brunswick which I will read. Here is one in Queen's County where we advanced \$1,950, resold it for a cash payment of \$1,950 and the settler paid nothing. There is another one in Queen's County where we paid \$2,070 and the settler \$130, and which we

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resold at the same price, with a 10 per cent deposit. Here is one in Victoria County where we paid \$1,800 and the settler paid nothing, and the farm was resold for \$1,900, 10 per cent cash. Here is another in Queen's County, where we advanced \$1,350, the settler \$150, a total of \$1,500; this was resold for \$1,600, 10 per cent cash.

By Mr. Wallace:

Q. In case you sell the farm and realize a profit of \$500 on it, do you turn that cash over immediately?—A. Yes, where we make a cash sale it is turned over to the settler immediately.

Q. Supposing you sell a farm for what it originally cost plus \$500. Would the Board assume all the risk of getting the money?—A. No, not unless we got paid in cash. As soon as we have a substantial amount we will pay back the surplus. There are cases where we have paid it before that. Take the case of a disabled soldier who is sick, there are sympathetic grounds, so where we have perhaps sold the farm for \$5,000, and we have \$500 in cash in our hands, and there is a profit coming to him of \$300, we give it to him. He is sick and in the hospital, and if we get a report from the field man that the new owner is a good man and an experienced farmer, and everything looks safe, we pay out the money on sympathetic grounds.

Q. It would be a matter of using your discretion?—A. Yes, using your discretion on that. Now, I want to turn to one or two of the western offices on this land value question.

By Mr. Caldwell:

Q. Before you leave the Maritime Provinces, I suppose those you have given us are possibly the best out of the sales you have made?—A. No, these are every sale there. I listed every sale we have made in the last twelve months, and these are the ones I have given you. That is everything we have sold in the last twelve months. On some of these we took losses, but these are taken without any exception at all. There is nothing left out. These are the places we sold last year.

Q. But you have a large number on your hands which will possibly be hard to sell?—A. Yes. It is not always the poor places that we have left. Senator Griesbach spoke about conditions in his district, and the next day I mentioned that two offers were waiting for me from substantial farmers, one wanting to establish his son in the district there, and the price he offered was a very much better one than we paid. This morning before I came over there were two more waiting for me. There was a case where we paid \$3,200 including the settler's ten per cent, and we were offered \$3,850; the man buying it is a civilian whose brother is in the neighbourhood. I frankly admit in that case that he would probably pay more for that farm in order to be within a mile or two of his brother, than he would for another place. That does enter into it, but that farm has been abandoned for four years.

By Mr. Caldwell:

Q. And it is often the case that a man will set his son up close to him, where the one set of machinery will operate both farms, and there will be a lower overhead in that way?—A. Yes.

By Mr. Wallace:

Q. It is my impression that there is a number of farms, say in Elgin County here, and possibly a few in Norfolk County, where poor land was bought, that is on the Board's hands, and I think some of it is not saleable any place. What is the policy of the Board in regard to farms like that?—A. The

only thing is to hold them and to hope that perhaps some day conditions will come back and that poor land will have a value. It is quite true that the man in these times who has a poor farm has a poor chance to succeed, because the man on the good farm is having all the difficulty he wants to struggle on. Quite frankly, on those Elgin County farms we have all kinds of bad stuff there.

Q. Land that should never have been bought?—A. You can point in almost every district to some place that is our graveyard, where we fell into something. Most provinces have them. In some provinces it is quite large, and in others it is a small area. In Ontario our settlement is good for the most part and is standing up, we consider, wonderfully well, but down in that particular portion, that is our graveyard.

By Mr. Caldwell:

Q. Just one other question in regard to these farms on your hands, especially in the Maritime Provinces, have you been able to rent these farms at a sufficient rental to pay the interest?—A. Here and there.

Q. The majority of them, or not?—A. I have not the figures; I could get for you, the statistics on the renting of farms in the Maritime Provinces. We have been getting very substantial rents in western Canada from a lot of our places. That is particularly true of Saskatchewan. In Saskatchewan, we have been making on our salvaged properties at least pretty close to 4 per cent on the investment on the land, and that is pretty good. We have not been able to do quite so good in Alberta nor in Manitoba; I think Alberta is the poorest from the rental proposition, of the three prairie provinces.

Q. I know in my own county a good many farms have been rented and they are getting a very good rental for these farms.—A. I have not checked that, but I could get the figures if you wish. I have not checked recently the Maritime Provinces. I did look them over when I was down there about two years ago; I visited every farm we had, almost; the only farms I did not visit were the ones on the north shore of the river, and over there we have not any salvage. That is a strange thing, that in the province of New Brunswick the hardest, poorest country is where we have no salvage, and where our men are succeeding best. It is the only part of New Brunswick where our collections are above our Dominion average on collections.

Q. Of course, the cause of most of the salvages in Carleton and Victoria Counties was the fall in the price of potatoes?—A. Yes.

Q. You did not make many poor buys from the point of view of land value there?—A. No.

Q. But due to the fact that it is a costly crop to raise, and that we have not got more than 50 per cent of the actual cost of the crop for some three or four years, farmers have gone to the wall who did not owe anything a few years ago?—A. The buys there were not perhaps bad buys, but I think they were inadvisable buys.

Q. There has been greater deflation in the value of that crop than in any other?—A. Yes, perhaps that is right.

Q. Then there is another point, the fact that it takes so much capital to grow a crop of potatoes, and if a man has not the capital he simply cannot carry on?—A. Yes, perhaps so. Now, we will take the Regina district, and here are some of the sales there. A farm that we paid \$3,420 for, and the settler paid \$380, we sold for \$3,800; that is the cost of the land. There was a 10 per cent deposit in that case, because you know we have very few cash sales in the prairie provinces. Here is one where we paid \$4,176 and the settler paid \$464, a total of \$4,600. We paid out \$1,000 for permanent improvements. We sold that at enough to let us out for \$5,200, with a 10 per cent deposit.

[Major Barnett.]

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By Mr. Knox:

Q. There is just a thought comes to me in regard to that. At the time the soldiers went on the land, there were many men who were not eligible, but who would have been very glad to have taken some proposition. These men probably still have their eyes on some of these parcels of land. They are ready to jump on to any of these farms. Is there anything to make you think that these men will not also be failures? A. Yes, because the majority of our sales are of the kind that Mr. Caldwell spoke of. I think fully 75 per cent of them are made to established farmers in the district who have full lines of equipment, are in good circumstances and are establishing their boys or acquiring extra land.

By Mr. Caldwell:

Q. And who will use the same equipment on the new land, which is going to make a very small overhead?—A. Yes.

By Mr. Knox:

Q. Would that not mean that the land had depreciated very considerably, and that these men had simply wanted that land and were willing to pay for it—A. The value of the land must be what you can sell it for, the same as any other commodity. It may be that there are local reasons, and I do not argue that this is conclusive evidence, but you should have some evidence other than general statements, contrariwise. That is the only thing that you can judge, and I am giving you what evidence we have. I am going to proceed from that and show you civilian sales. In western Canada we examined every case of a sale that had taken place adjoining or near land that we had bought. That is not the sale made by us, but a sale by a civilian to another civilian in recent years. If you would rather, I will drop giving more of these soldier cases, and go to the civilian sales, the civilian sales that have been made in last year. We have examined these cases of purchases. Here is a quarter section. We bought the northwest quarter, and the southwest quarter which is identically the same, smooth open land, of the same type, with nothing separating the two at all. We bought the northwest quarter in 1919 for a certain price. The southwest quarter has been sold in the last twelve months by the man who owned it to another farmer. Surely that must establish something as to the price of land in that district, even though it is not conclusive. I am not arguing that it is conclusive; it is only an indication. I do not pretend to argue that any of this evidence is conclusive, because my contention is that you cannot get conclusive evidence on it. This is material which I have, and if the Committee would prefer I will swing on to these sales, rather than our own.

Mr. KNOX: I think that would be very satisfactory and would give us the comparisons as close as possible.

The WITNESS: I am taking now the Rosetown district in Saskatchewan, west of Saskatoon. We bought the west half of 11-27-16 in 1920, at \$4,730; it was raw land. The northeast quarter of 24 in this township, exactly identical land, was sold this year for \$2,800 cash. That is, we paid for the half section \$4,700, practically \$2,400 for the quarter and the southeast quarter was sold this year for \$2,800.

By Mr. Caldwell:

Q. That is a civilian sale?—A. Yes; that has nothing to do with us at all. We found that the sale had been made.

Q. Just adjoining your land?—A. No, not just adjoining, but it is in the same township, with the same price of land. Out there there is great uniformity in land. The northwest quarter of 9-29-15, improved land, was purchased

for a soldier settler in 1919 for \$3,500. The west half of 22 in this township was sold in 1923 for \$5,000, on terms. That is raw land. The northwest half of 24-18-15, west of the third meridian, improved land, was purchased in 1919 for \$4,480. The west half of 1 in the same township, a similar type of improved land, with no buildings, was sold in 1923 for \$35 an acre, practically the same price. I have mixed up in this list a number of listings too, the two are together, and I do not want to give the listings, because they are not sales. At the same time, they are some evidence of value; very slight, it is true, but if you are going to go in there you have to have some regard to that. Here is a case in the Lannigan sub-district. The northwest quarter of 8-35-22 was purchased for a soldier settler at \$2,880 in 1920. The southwest quarter of this section last year sold at \$2,960. The northwest quarter of 8-35-20 was purchased for a soldier settler at \$3,330 in April 1920. This quarter section is approximately 60 per cent under cultivation, carrying good serviceable buildings. The southeast of 7 in the same township, similar land, was purchased in the spring of 1923 at \$17 per acre. The northwest quarter of 7-26-13 was purchased for a soldier at \$3,200 in December, 1919. The west half of 21 in the same township, similar land, was sold in 1922 at \$25 per acre. In the Watson sub-division in 1919 the Board purchased the northeast and southwest quarters of 31-36-16 for two settlers, paying \$2,560 for each quarter section. Recent sales made in township 37-17, where the land is similar in character to the land we bought for the two soldier settlers, the northeast half of 17 has been sold at \$5,400 and the southeast half of 28 at \$3,500, and the southeast half of 16 at \$3,360. Those are all recent sales on time.

By Mr. Caldwell:

Q. When you speak of raw land you mean land where there has been no breaking up?—A. Yes, just open prairie land.

By Mr. Wallace:

Q. No fencing?—A. No fencing.

By Mr. Caldwell:

Q. In giving these comparisons, have you taken into consideration the fact that they are the same distance from the railroad?—A. Yes, that is a big factor, and it is taken into consideration. There are cases where that makes a big difference, but these cases are very similarly situated; there may be a little advantage one way or the other, but not very much. I have not that; I have not taken it down in all these cases, at least they have not given it to me, and I have not checked the map. In some of them, take in the . . .

Q. Is it possible that that would be a bigger factor in the east than in the west, in view of the fact that it is a great haul to take eight or nine tons of potatoes any distance to the railroad?—A. Some men are raising grain successfully twenty miles from the railroad, and there is not much difference in the value of a piece of land as between fifteen and twenty miles from the railroad. When you get down to where one is three or four miles away, and where one is eight or ten miles, there is a big difference.

Q. A man with potatoes would never get on at all, twenty miles from the railroad?—A. In the past, wheat has been raised that far from the railroad. Here are some further comparisons. In January 1924, the north half of the south-west quarter of 1-18-17 was sold for \$13,000, slightly over \$27 per acre. In October 1919 the Board purchased for G. A. Greenles and W. G. Greenles, two brothers, a quarter section approximately adjoining this, at \$23 per acre. On this land there were 230 acres cultivated. There are very many illustrations of this which I will read if you so desire.

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By Mr. Caldwell:

Q. Are these all the same distance from the railroad?—A. I have not checked that. I will get that checked later. The north-east section of 5-21-26 sold for \$3,200, a cash payment; in December 1919 the Board purchased for a settler the north-west quarter for \$2,600. On this quarter 150 acres were under cultivation, and there was a small shack and barn valued at \$200. Here is one in Alberta. The south-east quarter of 16-24-29, west of the fourth meridian, unimproved land, was sold for \$25 per acre, payable in five years. That is a civilian sale. We made a purchase of the south-east quarter of 34-28, about 3 miles away, in 1919, for \$4,400. That is just a little higher, but in the one case it was raw land, and the one we bought had 95 acres under cultivation, 55 acres of arable land, plus fencing worth \$500, which would make the price very nearly equal.

Q. You do not know the distance from the railroad?—A. No.

Q. You see the point? These comparisons might not be very valuable without having all the facts.—A. That is true, but they are taken on relatively the same land.

Q. If you had even a few of them with all the facts.—A. It is easy enough to give you that.

Q. It would be more valuable.—A. Those have all been taken at virtually similar distances; that is, where the distance from market enters into it seriously. As between say 15 and 18 miles from market, unless there is something wrong with the land, the difference in value does not amount to anything.

Q. That is often a big factor, the position of the land?—A. Yes.

Q. Because you could only haul a load that you could haul up the highest hill?—A. That is often a factor. That is, if there is a high hill which you have to pull over, the one situated on the far side of that would be at a disadvantage.

Q. We have a situation in New Brunswick in the county where I live, something of that character. There is a railroad upon the east side of the river. The farms on the west side are no greater distance from the railroad than those on the east side. There is at least two months of the year when the ice is on the river, and then the farmer on the west side cannot get his stuff to the railroad at all, even though he can throw a stone across the river. That is a big difference; the far farm is worth very little, while on the opposite side of the river the farms are valuable.—A. These things have all been taken into consideration, and no comparisons have been made except where marketing conditions are identical, where there are no drawbacks of that sort. I do not mean that there may not be a difference of a mile or two in favour of one place or the other, but it does not enter into it materially, because very few farms have identically the same conditions. These are the only places that are asked for. If there were differences, like a coulee cutting them off, there is no comparison at all; you cannot make a comparison as between those two places, but these are only cases—and of course, after all, I have not here among the cases probably over one hundred all told, in all the provinces. In all the western provinces I probably have not 100 cases of recent sales that we can compare with our own, so it is limited in its value for that reason, that there are only a limited number of cases. We could not make comparisons; we had to get close enough to something we had bought and we had to get the same conditions in order to compare them, and so it reduced the number of cases we could compare.

Q. Your comparison would be made with this point in view, of getting them under comparable conditions in nearly all particulars?—A. Yes. The conclusions that have been arrived at by our field men as a result of making every comparison that they can, and taking into consideration even to a certain extent listings, where they are of any value; taking into consideration the

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recent sales that have been made, this is the conclusion that our men have come to, that deflation has been greatest as far as land is concerned on lands that are high priced; that is, the high priced land has deflated most. That is, you take any districts where land was bringing \$75 to \$100 an acre at the time of the high prices of grain, in other words, where the land had reacted to the high price of grain, and went up in accordance with that, it has come down accordingly.

By Mr. Caldwell:

Q. And potatoes?—A. And potatoes, it has come down accordingly. There were districts where very little land changed hands, even during the high priced period. In the districts where poor land was bought because it had a value in those times, that value has dropped out and they are in the class of unsaleable stuff. On the west side of Lake Manitoba we have a bunch of farms that I do not think you could give away. I am quite satisfied that if you took anybody who had any sense about him and said, "Here, you can have this for nothing," if he paid the taxes on it, I doubt that anybody would take them. We have 40 or 50 farms in there. It is the district I investigated that I referred to before. In that case, of course, it had some value in those days that it has not now, but we paid twice as much as it was worth even then.

By Mr. Wallace:

Q. That is a graveyard, too?—A. Yes, and it is a bad one. We bought \$100,000 worth of property there, and even then I do not think it was worth over \$50,000.

By Mr. Caldwell:

Q. What brought about that condition?—A. The land was poor.

Q. Far from transportation?—A. No, the railroad is near, and there is a good natural graded road running over 125 or 130 miles straight up the west side of Lake Manitoba. It is a natural road, the finest speedway you ever saw, just natural gravel. The land slopes off that on both sides, and you are into a gravelly stoney land in which you drop down into the muskeg. Every man's farm is divided between a muskeg on one side and the gravel on the other. The road is the only good thing about the district. It is absolutely a bad district. We got salted in that case absolutely. We bought land that had been bought a few days before for \$1,600 and \$1,700, and it was turned over to us for \$3,000 and \$4,000.

Q. Had there been farming down there before?—A. Not very much.

The CHAIRMAN: Gentlemen, it is one o'clock, so I suppose the Committee will rise now. Is it the intention of the Committee that we should have a meeting on Friday? I am informed that quite a few members will be leaving to-night to return next Monday only. I will be here Friday, and I would be delighted to have a meeting of the Committee if it is so desired.

Mr. KNOX: Do you think many of the members who are attending the Committee meetings would be leaving to-night?

The CHAIRMAN: Of course I have not asked particular members of the Committee. We might set the meeting for Friday and if we do not get a quorum we could not proceed.

The WITNESS retired.

The Committee adjourned.

COMMITTEE ROOM 436,
HOUSE OF COMMONS, Friday, May 30, 1924.

The Special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers, met at 11 o'clock a.m., the Chairman, Mr. J. J. Denis, presiding.

The CHAIRMAN: Gentlemen, we will now proceed. Notice has been given that Major Barnett would sum up his evidence this morning. Therefore we will now proceed with Major Barnett's evidence and after that if we get through before the adjournment we will hear Colonel Thompson, first of all on this amendment to the Pensions Act which was passed last year regarding the meritorious clause; but now we will proceed with Major Barnett.

MAJOR BARNETT recalled:

The WITNESS: There are one or two questions that were asked that we were to deal with first, to which replies have not been given. The first question was by Mr. Caldwell as to the amount that we have paid out for rents, the amount the Public Works have to pay. For the whole six years, starting from 1918 when the first organization was done the cost has been \$341,615. That is the total cost for six years.

By Mr. Caldwell:

Q. Does that include rent at all the branches?—A. That includes every branch, including the head office. It includes everything. It includes a great many offices that are now closed. In 1918 of course the amount of space was practically confined to Ottawa. In 1919 new offices were opened at several points. At the present time the actual cost is under \$50,000 per annum.

Q. Was there any other cost entering into the administration of the Act which was not included in your report?—A. Not that I know of. This applies to motor cars, printing and everything like that. That is all included. There is nothing else. If you add that particular amount to what we have expended in administration I do not know of anything else. I do not know of anything that any other department does for us.

By Mr. Carroll:

Q. In addition to this work that was imposed on the soldier re-establishment you were doing work for the Immigration and Field officers?—A. Our annual administration cost at the present time is around one million and a half dollars. Our estimate for the next year is \$1,400,000 and that is divided into two blocks. The two about balance. One is office administration; the other is field. Field administration includes field officers' travelling expenses, together with the cost of upkeep of motor cars and things of that kind. They do some collection work for us but not a great deal. We have an investment out of over \$90,000,000 and leaving out the field end of it, or only taking that proportion of their cost which belongs properly to administration the percentage of cost on our capital investment is as good as loan companies are doing at the present time. The property has to be administered; money has to be administered that is out. It is not a case of money we collect in. We collect in annually around three to four million dollars and we paid out last year in loans about five million dollars, making the total expenditure about ten million dollars coming in and going out.

[Major Barnett.]

By Mr. Caldwell:

Q. You have not collected on an average three million dollars a year?—

A. The first two years we did not collect anything.

Q. Last year what was it? Less than two million dollars?—A. I include in that the money we have to bring in out of sales of salvaged stuff. Collections at the present time are around \$2,300,000. At the present time that is the actual repayment from settlers, but we have handled over \$3,000,000 because we had sales of live stock. The money we would handle aggregates between three and four million dollars.

Q. Would you say you got three million dollars from salvaged sales?—A. I mean the actual cash, the difference between \$2,300,000 that would be collected in repayment; it would be about eight hundred thousand or nine hundred thousand dollars taken in from salvaged sales, from land. Our total is between 3 million and 4 million dollars each year coming in. The fact is we have over a \$90,000,000 investment that has to be protected and loan companies figure from one to one and one-quarter per cent as their administration cost. I asked them to have their cost accountants go into it, showing us where we could cut down because I wanted to have our men satisfied that we were administering as economically as possible and I took it up with two of the leading loan companies in Canada and asked that their cost accountants go into it in detail with the point of view of seeing where we could cut down and they both agreed we were doing business as economically as the ordinary loan company was doing business. That was the conclusion they came to.

Now with regard to the proportion of our cost that should be or should not be chargeable to colonization work, we have nothing to do with immigration. We are not dealing with the immigration end of it at all but we are doing work for the Department of Immigration, of which we are now a part and we are called upon to do colonization work, placing men on the land as farmers, placing men who are looking for farm employment. We are even checking the applications of men who are coming in from prohibited countries like southern Europe. This has involved a good deal of work on our shoulders at the present time, in making these investigations. It is impossible to more than guess what might be a proportion of the time devoted to these investigations. Our field men are out on a trip visiting soldier settlers and while they are out they visit a farmer to see whether or not those applications are *bona fide*. The field man carries with him a fellow who is looking for farm employment and is doing board work at the same time. He picks up this man and carries him to employment. It is very difficult to say how much of this trip should be charged to board work and how much to colonization. For the first start I thought probably \$200,000 for the purpose of administration would be a fair amount to be chargeable as against colonization work.

By Mr. Carroll:

Q. Supposing the Department of Immigration and Colonization was pledged to hire men to do this work do you think it would cost more than \$200,000?—

A. Yes, it would cost a good deal more than that for them to hire men to do it. I did not think at the start we could reduce our expenses by more than \$200,000. I am of the opinion now that my estimate was a little low. When I say at the start that means probably eight or nine months ago. I think probably \$300,000 would be a fairer estimate. The reason I put it that way is that I think about one half of our field staff's time is taken up in colonization work and the cost is around \$700,000, so it would be about \$300,000. We have certain men in the office working also, half of the Supervisors' time is taken from us we could not reduce by 50% at the start.

[Major Barnett.]

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By Mr. Caldwell:

Q. In addition to this work you are doing, as far as farm work is concerned are they working for the Immigration Department on Surveys?—A. We did a lot of that in Nova Scotia, more or less experimental work. It is not so much for the Department of Immigration and Colonization as it is in the nature of experimental work. We also did it in Prince Edward Island but the Province bore practically the entire cost of it. I think \$300,000 is a fair amount. If we continue the colonization work that end of it will be made heavier. I do not think the staff will get heavier but their time will slowly grow heavier on that end of it.

By Mr. Knox:

Q. Is it a common practice of the Immigration Department to pick men out and locate them with a farmer?—A. Our field men do it. For instance, last fall when the British harvesters were brought into the town of Vegreville in Alberta—the board of Trade of that town represented they could take 16 men if 16 men were needed in that district. Then 19 men landed there one afternoon; nobody was there at all; nobody paid any attention to them. Our supervisor, Arthur Wain, came into town that day at noon and discovered these 19 fellows stranded and by six o'clock at night he distributed them on the farms with farmers who were anxious to get men. The men were strangers and the farmers did not know the men were there. He simply picked them up and took them out and placed them.

By Mr. Speakman:

Q. There was another line of work done last fall by men who were not supervisors, to go around and locate?—A. That was done in some districts more than in others. We employed as a matter of fact all soldier settlers for that work. We were asked to find out whether these British harvesters could be retained in winter work. We could not turn our staff loose on it at that time, so what we did was to take on temporarily for the work a few soldier settlers that the supervisor could rely upon and they could canvas the district to see what openings there were for winter employment for the British harvesters. That was entirely in connection with British harvesters' work. The actual amount of money spent on it was very small. There was more spent in Alberta, in our Calgary district than anywhere else. The reason we did that was because we did not want our supervisors taken off their ordinary work.

By Mr. Knox:

Q. I remember in the Prince Albert district this was done quite extensively. I am afraid a great many of these positions were not filled.—A. We have placed this spring over 2,000 men on farms, that we have actually taken out and placed. We have around 4,000 vacancies. Our method of doing that was to ask the Supervisor to notify us who the farmers were in the district who would likely require help. Then we sent a questionnaire form to the farmer which he mails in direct to the office. In some districts they may have canvassed direct a little of it but our instructions were not to do it; we were to do it by means of a questionnaire. As I say, we have nothing to do towards getting the men, and there are undoubtedly a lot of the positions that are not filled. We said in our letter to the farmer, who sent in the application to us—we told the supervisor to warn the farmers—that we could give no guarantee that we could get anybody and the farmer was not to pledge himself in any way to hold a position for any new-comer.

[Major Barnett.]

By Mr. Robinson:

Q. Does any one object to this Department helping out in a case of that kind?—A. I do not think anyone objects. If there is nothing further on the administration end of it, I have picked out three or four cases—I am not going to detain you with a long list as I did the other day. These are a different type but it comes in on a question of revaluation, more from a technical point of view, if anything is done on revaluation with cases such as this. These cases are typical of 3,500 cases. They are typical of the cases of men who have made substantial successes. The first one is a case of a settler in Pictou county, Nova Scotia, aged 22 years at the time of establishment, a native of Nova Scotia, born and brought up on a farm. He was established in August, 1919. The farm cost the Board \$2,000 and he paid \$1,200 at the time. At consolidation his loan stood at \$803.87; current interest \$39.96. In 1922 the settler met his full payment plus \$75 prepayment. His loan now stands at approximately \$600.

Another case in Prince Edward Island, a man aged 24 years; is also a native of Prince Edward Island. He had \$1,000 cash when established, which he used to buy crop. He also paid his 10 per cent. The farm was purchased at \$3,340, the settler paying \$340. The Board advanced on the land \$3,000.

In April, 1921, supervisor reported, settler is a shrewd, industrious fellow needs little supervision. At consolidation his land was reduced to \$2,649; payments have been met since and prepayment of \$300 made in July, 1923. In January, 1924, another prepayment of \$400 was made so that his loan stands at between \$1,700 and \$1,800, the original loan being \$3,500. In other words he has cut his loan in two.

Another case is an Ontario case. This man was a clerk in the Dominion Express aged 29 years but he had 10 years of boyhood on a farm. He purchased a farm in September 1919. The net loan was \$4,500. Later on he was given a loan of \$500. He paid in \$1,000. He had an additional loan of \$500, making in total \$6,000. In 1920 supervisor reported settler will make good and be out of debt in a few years. His cows were producing milk valued at \$12 per day in 1920. In March 1921 supervisor reported payment this fall of \$319.29. Settler will remit double this. He has already paid back \$900. Splendid type of settler. At consolidation in 1922 this settler had reduced his loan to \$1,500 principal; interest \$44.50. He met his 1922 payment and is not under supervision at all now.

The next one is a case in Regina district. This settler was 32 years of age. He had eight years experience in England and six years experience in Canada. The farm was purchased in June 1920; land loan \$2,000; buildings \$1,000; total loan \$3,000. At consolidation in October 1922 his loan was reduced to \$1,938. Since then he has met his payment and has made a prepayment of \$200, so that his land now stands at approximately \$1,600.

Another settler at Shaunovan district, five years Saskatchewan experience, age 25 years when established. His land loan was \$4,000, buildings \$1,000, net \$4,600. In 1922 he made a prepayment of \$700. He threshed 3,300 bushels of wheat. At consolidation his loan stood, principal \$3,638.60; interest \$324.31. Total \$3,962.91. Since then he has met due payments and expects to make a further prepayment of \$1,000 shortly.

The Next is a settler in Edmonton district, aged 27 years at the time of establishment. He had limited experience but was born on a farm in Ontario. The land was purchased for \$1,300. He put up his own buildings, they are log buildings and he acquired his own stock and equipment. At the time of consolidation he reduced his loan to \$988. Since then he has met his payments. In April this year he made a \$200 prepayment in addition.

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Another settler in Viking, Alberta, aged 32 years purchased farm in July 1919, 50 acres crop went with the sale. Land cost \$4,000. Net \$3,600, buildings \$700; stock and equipment \$1,300; total \$5,600. That was \$5,600 he owed. At consolidation the loan stood, first of all \$4,458.68, with interest \$187.37. Total \$4,646.06. He made in 1922 a payment of \$185. He made in 1923 a payment of \$204. In March 1924 he made a prepayment of \$200.

There is just one other case I want to refer to. This is a case of a settler established in Prince Edward Island. I will read the supervision report on which the action taken was based.

"Shortly after this settler was discharged from the Service he purchased a farm of 50 acres at West Cape. Not being able to pay for same in full in cash, he applied to the Board and received a land loan of \$900.00, this loan being dated August 30/1919."

"In the spring of 1922 an opportunity arose of purchasing a farm of 150 acres with a complete set of buildings (the first farm had no buildings whatever) and the Board purchased this second property for him, advancing an additional land loan of \$3,600 and \$900.00 for permanent improvements already erected.

"During the early part of the present winter this settler's mother-in-law, Mrs. John Locke, fell and broke her hip bone. She is an elderly lady and now wants her daughter, Mrs. J. H. McClellan, to live with her and take care of her during the rest of her life, and the present indications are that this will not be too long a period.

"About the same time one of McClellan's neighbours, Mr. Russell Fish, made an offer of \$4,000 for fifty (50) acres of the Murray Farm with the buildings. This appealed to our settler as a good business proposition and he accepted same. He also completed an agreement with Mr. Fish whereby he would put a deal through on May 1st next, \$1,000.00 being paid down to bind the bargain. Considerable correspondence between McClellan, the District office and myself has passed regarding this matter, and to arrive at a definite understanding I visited him on the above date and went into the matter in detail.

"Settler has purchased a barn 28 x 42, a machine shed 20 x 30 and a boiler house 10 x 12, which will be moved onto this property next month. These buildings, at a most conservative value are worth at least \$400.00. This, therefore, leaves him with property worth at least \$4,000.00, and the total amount he will be owing the Board after the balance of the purchase price of the sale he is now negotiating is paid in will be approximately \$1,000.

"I think this transaction is a splendid business deal for our settler from any standpoint. He is getting rid of what is considered the poorest agricultural land of his holding when he sells the 50 acres to Mr. Fish, and he is also disposing of a set of buildings which will require considerable repairs within the next year or two."

The reason I have read these cases is that there are a very large number of settlers who have done the same thing and they are typical of some 3,500 cases. There are 15 per cent of the settlers who have made progress equivalent to these cases I have cited.

By Mr. Carroll:

Q. It is not all dark?—A. The percentage may be small but there are at least 15 per cent who are in the position that those particular settlers are in. On the question of revaluation there is just one thing I wanted to take up. As

[Major Barnett.]

I pointed out in the evidence I gave the last day I appeared here, the amount we spent on land of this kind, on land for settlers established in 1919 and 1920 was \$33,000,000. The amount we disbursed for live stock, not including paid up loans and salvage, was \$7,000,000. Sixty per cent depreciation on live stock amounts to \$4,200,000. Allowing for 20 per cent depreciation on land you get \$6,600,000. There has been no deflation in machinery or lumber and such things so that by that interest exemption that was given two years ago the settler has had a 60 per cent allowance on his live stock deflation and he has had the equivalent of 20 per cent on his land. That is the effect of it as regards the settlers that are now on the land, with the concessions that were given two years ago. In some cases these interest concessions amount to large sums of money. Following the visit of His Excellency to Manitoba I had two special investigators go through the district which he referred to, which is a difficult district, but the interest exemptions there given under the concession of 1922 amount in one case to \$1,168.00. The settler had a gift of that much money.

Q. Interest alone?—A. That is the gift they got.

By Mr. Caldwell:

Q. Three years remission of interest?—A. Three years and four in some cases. We prepared these cards from our files in Ottawa in order that our investigators would have something on the settler when they went out. They would know something of what his condition was, they would put down his name, his post office, the date he was settled, his land number, whether the land was purchased or whether it was mortgaged land or whether it was Dominion land; the amount of his consolidated indebtedness, what the effect of consolidation was, how much free interest he got and how much his annual payments were reduced, because I always looked on that as more important than anything else. The great burden, which I emphasized to the Committee two years ago was the heavy rate of payments they were called on to meet, so we put down for the benefit of the investigator the amount that his payment had been reduced and a view of the general situation is shown by the supervisor's report. Take this particular case. The card reads,

"Settlers's name Osborne A. E. P.O. Teulon
Loan No. 8-738 Date Settled 23-7-19
Land S.W. 18-15-3 E (Pur) Price of land.
(Enc.)
(Dom.) \$4152

Consolidated indebtedness \$6,853

Effect of consolidation (a) Free Interest, Amount \$1,369

(b) Reduction in annual payment \$442

General situation as shown by Supervisor's report: Settler is a good worker but poor manager, requires supervision. Progress to date only fair. Has never broken any land which could be easily broken. Fair chance to succeed."

By Mr. Speakman:

Q. That was not due to the cancellation of interest. It was due to the fact there were heavy payments in the first four years, while stock payments were spread over the rest of the term.—A. That is the reason for putting it down. He did get a gift of \$1,369. Supposing we had given him \$1,369 off of capital, his annual payment would be reduced by 40 or 50 dollars. By spreading the payments over a long period he got a reduction of four hundred and some odd dollars. Then the investigator writes on the back his comments on this particular case. I wanted to get a man outside of the Winnipeg office. I wanted to

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get a man who had an entirely new point of view and we practically covered all settlers in the northern part of Manitoba in this way. I might say the investigator in this case was one of our officials, who had been a superintendent in one of our offices. He is an amputation case. He lost his arm during the war and is generally regarded as a very fair-minded type.

By Mr. Speakman:

Q. Is that Smith?—A. Yes, Smith.

By Mr. Carroll:

Q. In any case the farmer whose yearly annual payments have been reduced pays the actual amount of money in the long run he borrowed from the Government?—A. He pays in the long run the actual amount but instead of four or six years he pays it in a longer period of twenty-five years.

By Mr. Caldwell:

Q. I think one point we ought to get clear here is how much less money will he pay the Board on account of cancellation of interest to say nothing of amortization?—A. He will pay \$1,369 less than he would have paid if that had not been put through. That is what he will pay.

Q. That is what I want to get.—A. The investigator in this case reports.

"This man is located on low land on the edge of a bog. It is best suited for hay and pasture. He intends to go in extensively for cattle and is at present milking ten cows from which he is getting a good living and expects to begin making payments in the near future. Since establishment he has built a large barn and has also the advantage of having a planing mill. He is following the line of farming his place is best suited for and I believe he will make a success as he is well experienced in all branches of mixed farming. Revaluation was not discussed."

The reason that is put on there is that if the settler wants to discuss revaluation they discuss it with him. If he does not discuss it, they do not raise the point, but note it on the card so that I will know how many men are thinking of revaluation. In other words do not suggest it to him. If he suggests it discuss it with him. If he does not note on the card that he did not mention it. That is a typical card in this particular case.

There is one case which I do not know whether I can put my hand on here that I would like to read. Settler pointed out he would not discuss either consolidation or revaluation, a very good type of settler but having a hard difficult time. He said he was not interested in either one; he raised the question of revaluation, but he said, "I am not interested in it, because it will not help me any, and I am not interested in consolidation. My difficulty is to get a living."

By Mr. Caldwell:

Q. He had no prospect of ever paying anything?—A. His difficulty was to get a living, and he was not worrying about either one, consolidation or revaluation.

Q. Did you say he was a very good type of settler?—A. A very good type of settler.

Q. What do you mean by that?—A. He is a good worker.

Q. But conditions were such that he could scarcely make a living?—A. His spring crop was a failure, and that combined with the high prices he had to pay for everything he bought made it hard. You see, a crop failure at a time when your outgoing expenses are very high is very hard to withstand.

[Major Barnett.]

By Mr. Knox:

Q. Do you mean that he was hopeless of ever completing his payments?—

A. In the position that he was in, all he said was that neither feature interested him. The Board had not been forcing him. He was very fair in his attitude, he had no criticism; he said "You left me alone, but payments do not make any difference to me one way or the other; I am not able to pay anything, and whether my debt is cut on paper or not makes no difference. What you did last year made no difference to me, because I could not pay anything anyway. You reduced my payments by \$400, but I could not pay anything anyway." It was simply a matter with him of getting a living.

By Mr. Caldwell:

Q. Do you have very many of that class?—A. No, we do not have very many like that. I could run over a few of these cards if you wished, but I do not think it is worth while. There are about 2,000 men, from checking, not in Manitoba but 2,000 all over Canada whose difficulty is to make a living, and it does not matter if you cut their paper debt from \$6,000 down to \$3,000, it will not make a particle of difference to them. Their difficulty is to make a living. Undoubtedly there are about 2,000 men in that condition and the only way that you could help them would be to give them the place so that they could dispose of it. If you gave it to them so that they could not dispose of it, with the rider that they could not dispose of it, those 2,000 are still going to be up against the same old problem, of how to get three meals a day and clothing.

Q. That is an important point. You say if you leave these farms to them so that they could dispose of them it would be an advantage. Would it be possible to dispose of a farm under present conditions?—A. They do occasionally make sales, but I think most of these men are handicapped at the start with very little capital. When you come to think of it there is a mistaken idea that settlers do not need money or anything, a man can start farming without a thing.

Q. A man who says that does not know anything about it.—A. There is a general impression that that is true, while it is not the fact at all.

Mr. CARROLL: I hope that impression is not among the farmers.

Miss MACPHAIL: No, it is not; it is among governments.

The WITNESS: The difficulty with a lot of these men is that they had nothing to start with at all. A man taking over one of these farms who had some money would probably be able to establish a home for himself.

By Mr. Caldwell:

Q. That would not apply to the cases we are speaking of. Here is a man on the farm, you are not asking any payments of him, but still he cannot make a living off it. He would be in the same position as a man who owned it, and still could not make a living. He has no credit, of course, where the man who owned the farm would have some, but the position is very nearly the same.—A. In a great many cases he has not the wherewithal to make a living off the land. I mean a little more stock of some kind, perhaps a few more cows milking might perhaps at least provide a living. The difficulty is that we cannot give these men any more money; we cannot give them anything more. It is just the same, of course, on the farm as it is in any other business; if you are pressed and you have got the money, you cannot buy advantageously; you never can do business advantageously.

The CHAIRMAN: Miss MacPhail, and gentlemen, with your permission we will now suspend Major Barnett's evidence in order that I might submit to you two resolutions. On May 22nd Mr. Robinson moved, seconded by Mr. Carroll, the following proposed resolution, which is already printed on page 92 of our proceedings. As I presume, however, that many of the members of the Committee have not their proceedings with them now, I will read it once more.

[Major Barnett.]

APPENDIX No. 6

"That the regulations of the Soldier Settlement Board as given in circular No. 376 dated February 16th, 1924, be not applied to the cases of the repatriation of Canadian ex-service men."

This is the clause referred to:

"After March 31st, 1924, Qualification Certificates will not be issued to new applicants except,

- (a) To returned soldiers now in training;
- (b) Those who desire establishment assistance on their own lands;
- (c) Those who prior to February 20th, 1924 (the date at which these instructions are presumed to have reached the District Office), have by letter or instruction of Board officials delayed formal application and therefore have special definite equitable claims;
- (d) Scotch settlers coming to Canada under arrangements made with Father MacDonell."

Now, I would ask Mr. Robinson to explain this resolution.

Discussion followed.

The CHAIRMAN: I would ask Major Barnett to give us his opinion on the proposed resolution.

The WITNESS: So far as the arrangements with Father MacDonell are concerned, I would like to clear that up. At the time this curtailment was decided upon, Father MacDonell was in Scotland and he expected to get assistance for some of his men who were returned soldiers, as he had made representations over there to some of these men, which is the same as we had done, and they come in under the equitable ground exactly the same as other men. As far as the resolution itself is concerned, I do not imagine that there will be any large number of men who might come back from the other side, so I have not really very much to say about the repatriation end of it. I have not any doubt that particularly from the Maritime Provinces a great many returned soldiers went to the United States who drifted over there immediately upon their return from overseas knowing nothing about soldier settlement legislation. Now, we have never done any advertising in the United States, we have made no attempt to bring to anybody's attention in the United States, any Canadian soldier there, that he could settle on the land by his scheme. On the merit of the thing I have nothing to say as I do not imagine there will be any large number of men to take advantage of it.

Discussion followed.

There are just one or two things more that I have to point out on the question of revaluation. There are one or two extremely difficult things to handle in the event of there being any revaluation. I have here one case that I want to point out to you: take a settler who makes a prepayment. I read a number of these this morning where settlers had made prepayments. For example a settler received a loan of \$5,000 on the 1st of October, 1919, prior to revaluation, he has prepaid \$2,000 to the Board. The amount required under this plan and including interest is \$6,140. Had he retained his payment until after revaluation he would be only required to pay \$5,292. In other words any revaluation system must operate against the man who has been making his payments. That is the effect. Revaluation will operate against the good settler who has been making his payments. He is the man who is prejudiced and that is a very concrete illustration there. Here is another illustration: The Board purchased cattle costing \$1,000 for the settler. This settler sells it to a second settler for \$500. That happens frequently.

[Major Barnett.]

By Hon. Mr. Sinclair:

Q. Where you speak of revaluation being unfair to the man who has made payments, with regard to remission of interest, he is benefited by that equally with the man who had not paid up to date?—A. The man, of course, who has paid nothing gets a larger interest exemption because the man who has been paying off on his capital has not got as much of a concession since there is not as much there.

Q. He has not paid any interest? The man who is paying off capital has paid no interest?—A. No, there is not any very great difference.

By Mr. Caldwell:

Q. There is this point: the fact is, as Mr. Sinclair points out, that there has been practically no interest paid by settlers. I think there was interest paid for a few years by a few. The last two years there has been no interest paid. If this revaluation—if this remission is made by way of remission of interest it will not adversely affect a man who is paying off his capital. A. What I am having in mind, of course, is not so much—the reason I am discussing this revaluation point is because there are Members of the House who have very strong views that the interest exemption was not what should have been given the last time, that revaluation should have been given, and they still hold that the only thing that should be done is a capital cut, and for that reason I think I should put before the Committee some evidence from this point of view, because there are Members of the House who feel that the capital cut is the only thing that will meet the situation. The trouble with the capital cut is that it injures the men who have been doing well for any reason, and the 3,500 men who have been making prepayments. This year we have 4,000 settlers who have made prepayments. That is to say, no man can make a prepayment while he has got arrears standing against him. I mean any payment he makes will apply as against his arrears, these current payments and we have some 4,000 settlers this year who have made prepayments.

By Mr. Speakman:

Q. I quite agree with that conclusion and I am glad to have it substantiated.—A. Taking the case of the settler who sold cattle, I will just speak of that.

HON. MR. SINCLAIR: Just a thought there regarding the man who has made prepayments this year: do the payments that he makes this year include amortization of interest that is to be remitted?

WITNESS: No, they do not include any interest. Any payment that any settler makes in the last two years is a payment on his principal. That is qualified by the settlers that have been established in the last two years, but apart from that any payment that any settler makes who was established prior to 1922 is a principal payment. Take the case of a settler who has sold cattle to another settler. There has been a deflation there of \$500. The original settler paid \$1,000 for the cattle. He perhaps could not work or something else. He comes back to the place. We sell the cattle to another settler for \$500 on a capital cut. The first settler takes a loss in there, while the entire deflation, I mean the \$500 deflation is chargeable against him. It boils down to this, that each settler owes us \$250 but the one settler has got the cattle and the other has got none. The point I want to make is if you made a capital cut at all the man who sold a piece of land or stock or made a prepayment for any reason is immediately injured. That is the way it works out.

There is just one thing more I want to point out before I close. There are three classes of settlers speaking broadly, to consider. I do not think it needs any argument to show that the men who are making prepayments, who are

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getting on, require anything. If a man is able to meet his payment in accordance with his revised agreements, then he is doing everything we pre-supposed he would do. We have some men who are complaining not because they cannot make their payments because they can and are making them; but when they took over the farm they figured they would pay for the farm in ten or twelve years and they are bitterly disappointed when they find it is going to take 25 years. As a matter of fact 25 years is a short time for a man to pay for his farm. Under rural credit schemes in the United States, the determination they have arrived at there is, that the average man cannot hope to pay for his farm inside of 35 years. In the land settlement policy of Ireland they decided it would take two generations to pay for a farm, 65 years. That is the time it would take, so that in the case of our men taking 25 years they are not doing badly. When you come to take a man starting without anything and seeing it is going to take 35 years under the American calculation, 65 years under the Irish calculation, and Mr. Speakman says 90 years under German calculation I do not think our men are doing badly.

Now we have 15 per cent of the men who have pretty well between one-quarter and one-half paid off in five or six years, so that after all it is not too bad. But you have those settlers to consider; then you have got approximately 2,000 men that no revaluation, interest concessions or anything else will help. The men who have been paying nothing, it makes no difference to them. A man can make no payment on a paper debt on \$6,000 as well as he can on \$3,000. If he cannot pay anything on \$6,000 he is not going to pay one cent more if you cut it down to 2 or 3 thousand dollars.

By Mr. Caldwell:

Q. You have mentioned about men who have been leaving the farms but you have not touched on it,—a man who is making his payments and left the farm. I know of one case. I said to this man, "You can pay for this farm." He says, "I think I can in 25 years, but when I do I will have paid twice the producing value of the farm. I can go out and do better by starting over again." Do you have many cases of that kind who consider they would have paid a great deal more than the producing value of it?—A. There are some.

Q. They are your very best type of settler in our districts?—A. After all it is very hard for a man to forecast what will happen in 25 years.

Q. Was that the reason he gave for leaving?—A. You have to look over the twenty-five year period. You have to take an average after all of 25 years. When this act was put on the Statute books it was expected that the men would take 25 years. After he passed five years of it it is a little early to see what the productive value is and what the conditions are. It may be at the moment that this is so but you have to strike an average over the 25 years.

Q. There is this feature that is discouraging, the fact that deflation has taken place in the price of the farm produce and inflation in everything else.—A. You have a settler who has paid nothing. There is nothing you can do for him. You cross him out. He has got to struggle along. You have another type of settler who is undoubtedly on unsuitable land. He has not got capital enough and we do the best we can for him. Perhaps if you gave him a few cows more it would make all the difference in the world to that man. Those are individual cases and should be dealt with individually. We have men in Western Canada that we should have the power to transfer to another part and even if necessary go to the expense of wiping off a portion of their capital. We have not any power to wipe off or make a reduction. In that case the man himself is primarily responsible, but our officials fell down in that they did not make the inspection they should have done. They perhaps were led away by the optimism of 1919. Those are special cases, where the land undoubtedly is

inferior and unsuitable or quite palpably an excessive price was paid for it; then meet that case as a special case.

By Hon. Mr. Sinclair:

Q. Meet it by a transfer?—A. By putting him on other land and wipe out such charges as are involved in the old place that he has had nothing from but those cases will not be frequently met with.

Q. What charges do you refer to?—A. You have all charges like that. I am just thinking of one district along the Express line in Alberta; men went there themselves, because as a matter of fact we tried to keep them off that land. We fought for a year and a half to avoid giving them lands and what we foresaw has happened, that they could not succeed on it. It is in a dry district. They have all charged against them 600 or 700 or 800 dollars for seed and feed that has gone in and produced nothing. That is a charge that should be wiped out because they had no returns from that. You would only transfer, of course, a man that was good. You would not transfer people who would not help themselves. One fellow said he had ten cows, every one of them dry but thinks if he had a few more cows he would get along all right.

By Mr. Carroll:

Q. Maybe if he had a bull he would be all right.—A. It is no good doing anything with a case like that. You simply let him run along. The thing is if a man is only suffering from the general economic condition—we have soldier settlers who have equipped themselves; they have bought their own live stock. I have read you some cases where a man went down and took his \$600 gratuity money and invested it in cattle in 1919. The fellow who kept his \$600 in his pocket and let us pay for it is going to get his capital cut or something else, but the settler who bought that stuff himself gets nothing on it at all. When you come down to the general conclusion that it is a general economic condition then it seems to me it is a difficult thing to pick out and say, "We are going to make special consideration on that account." If there is some special handicap the man has had that is not general to the country it is not difficult to rectify it. If it is general it seems to me it is difficult to rectify it and it is going to give rise in the long run to trouble.

By Mr. Humphrey:

Q. Have you any specific recommendation you intend to make to this Committee before you are through?—A. I will if the Committee desire it.

Q. Is it the intention to bring that point out?

By the Chairman:

Q. Yes, at the next meeting.

By Mr. Carroll:

Q. I presume it is for this Committee to make recommendations on the evidence of Mr. Barnett.

By Mr. Humphrey:

Q. I understand that point, but I meant if it was the intention of this Committee to accept a recommendation from Mr. Barnett.

WITNESS: There is one recommendation I might say here that I would like to make and that is this: I would like to see the Committee bring in something that would enable us to give to these men who are making pre-payments interest on their prepayments. As it is now, as long as interest exemption goes we cut off the getting of the money from a man who can make more than his payment and it is particularly true where the speculative type of farming prevails. If prices happen to go up high in a year and

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the man can pay a good deal more, there is no object in him paying off so long as interest exemptions run, because we cannot give him any interest on his payments and it discourages the man paying us more. It is to his as well as to our advantage to get paid off as quickly as possible. We ought to have power to credit him with the prepayment of \$1,000 if he makes it. That does involve a capital cut. A man comes in and he says to me, "Figure out what it would take to retire my debt now," and he pays it and he gets a capital cut. The capital cut on this score is not very great. It does involve a capital cut because he figures out, what will it take to retire his debt.

Mr. CALDWELL: Major Barnett I presume will be available for any further information we may want.

The CHAIRMAN: We might ask Major Barnett to report at the next meeting and continue the recommendation he wishes to make.

The Committee adjourned.

COMMITTEE ROOM 424,
HOUSE OF COMMONS,
THURSDAY, June 5, 1924.

The Special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers, met at 11 o'clock a.m., the Chairman, Mr. Denis, presiding.

The CHAIRMAN: Miss Macphail and gentlemen, we will now proceed concluding Major Barnett's evidence, and at the end of his evidence Major Barnett will have some recommendations to make to the committee. Of course, proceeding according to our plan of preceding sessions, we will not immediately discuss what recommendations may be made by Major Barnett. Every member of the committee, however, will be welcome to ask questions, but the merits of the recommendations which he makes, together with the merits of other recommendations will be considered later on, after we are through taking evidence.

Major Barnett recalled.

The WITNESS: Mr. Chairman and members of the committee, I have very little more evidence to give. I have given as complete a statement of the work of soldiers settlement as I could at the previous meetings of the committee. The question was asked at the end of the last meeting of the committee, whether I had any specific recommendations that I intended to make, and I answered that I would if the committee so desired. What I have to say is largely in connection with that, and the one principal suggestion that I have to make I made previously. Undoubtedly there are settlers who are on land which is unsuitable, not proper for settlement in some cases; they are in known dry districts where the crop hazard is very great; in other cases they are on land where the fertility is not what it should be, or there are drawbacks due to other conditions which make farming at the present time almost an impossibility for these men. These cases, of course, are not nearly as numerous as they were, because as I pointed out before, most of them are to be found in our salvaged cases, but there still remain in all provinces some of these cases. Where a good man who has demonstrated that he is sincere and capable is on land which is not suitable for any reason, then I think they should be given power which the Board does not now have of transferring that man to suitable land, and of eliminating such part of his debt as is due to the poor settlement that was made in his case.

By Mr. Arthurs:

Q. Just there, Major Barnett, would it be possible to remove these men from the unsuitable property to other property in possession of the Board?—A. In some cases, yes, but not in all cases, because you cannot move a man too far, perhaps, or in a different type of country from that to which he is accustomed.

Q. You could utilize some of your land?—A. Yes, there is no doubt about it. We have done some of that, but the one point that we had no discretionary powers to touch was the wiping out of that portion of his debt which had been wasted in the unsuitable settlement. We have transferred men—only the other day in British Columbia we transferred a man from a peat proposition on Vancouver Island to a salvaged farm on our hands, but we cannot always do it. In a great many cases there is a burden of seed and feed that has been supplied to him on a hopeless proposition that should be wiped out, because that money was wasted as far as he was concerned, in his efforts to establish himself on a farm.

[Major John Barnett.]

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By Mr. Ross:

Q. What would you do in the case of a man who had been put on poor land and who threw it up in a year or so and went away?—A. You cannot do anything with them; they have a claim, of course. They have some claim, but the only thing is—I am not suggesting transferring the man who has demonstrated that he has not the capacity for the work. That is, after all, the most common case that is on the poor land. That is, the poor man naturally gravitated to the poor land; it is only natural.

Q. Oh no, he took your selection.—A. No, he made his own selection first.

Q. But you went out and inspected the land?—A. Yes, we inspected the land afterwards. I quite admit that our officers fell down in making the inspection. I am not trying to argue contrary to that, but the fact is that your good man would never come and say, "That is the place I want," when it was poor land, nearly as frequently as the poor man did.

Q. At the beginning the choices were not so easy as they are now. Two men I know of are over in the United States now, and they would not live in the city. They have taken land in the United States and are farming there.—A. Undoubtedly the bulk of poor land is settled by poor men, but there are good men who have got on poor land.

Q. It is a sign of a good man when he throws up a poor farm in a year?—A. You get lots of them, of course.

Q. He is doing well, now anyway.—A. My suggestion is that there should be discretionary power to deal with these particular cases, where the man is a good one and is on manifestly unsuitable land.

By Hon. Mr. Sinclair:

Q. In the case mentioned by Mr. Ross, where the man has thrown it up and you still have a liability against him, would you wish discretionary power to wipe that off?—A. Yes. I explained that the other day. There are a number of cases of that nature, where a man has not been guilty of wrongdoing, but he has simply proved himself a poor man. He thought he was a farmer and we thought he was a farmer, but when he got out on the land he decided he did not like it, and drifted into something else. He made a mistake and we made a mistake, and in that case my suggestion would be that instead of making it as it is in the Act, that the deficit shall be a debt against the man for all time, that it be not a debt unless the man has been guilty of some wrongdoing. In other words, eliminate that section of the Act which makes a charge for all time on the man who has had misfortune for any reason, other than his own criminal wrongdoing, or the equivalent of that.

By Mr. Ross:

Q. I hope you are not going to put on record that because a man failed on a poor farm he is not a farmer?—A. No.

Q. How would you judge a man like the one I have spoken of?—A. I am not making any recommendation as to the old cases. The purpose of doing this is to retain the men now on the land. It is not as a matter of so much right to the man as it is of retaining a man who has demonstrated that he is a good farmer, and for that reason I would not touch the cases that have left, although on purely personal grounds I admit they have quite as strong a claim. I am dealing with it purely from the viewpoint of holding those men on the land who have demonstrated that that is their natural place.

Q. In this case I would say it was his natural place, because he married a woman who does not want to live any place but on a farm. When he failed here he went to the United States, to New York state, and is farming now and making a success.—A. The reason was that it was a poor farm?

[Major John Barnett.]

Q. He went out and looked at it when it had a fair crop?—A. These cases do occur, and there are good men who have got on poor places, by buying in the winter time. You have to remember that in 1919 men were over-anxious to get on the land. We were forced by the pressure of public opinion in 1919 to make inspections that should not have been made, that could not be adequately made, and men who settled while snow was on the ground, while the land could not be inspected fairly and properly, certainly made mistakes in selection, but I do not think it is possible to deal with cases on any ground except the cases of the men who are actually on the land now. I think, if you attempt to deal beyond that, there are a great many difficulties that are involved. It does not matter what relief you may give for any case, the moment you go beyond the case of the men still remaining on the land you are in difficulty, and you open the door not only to the men who were on the land and have left, but the equal number of soldier settlers who have nothing to do with the Board. As I pointed out in the beginning of my evidence, there are just as many soldier settlers as there are returned soldiers who are attempting to farm without assistance from the Board.

By Mr. Arthurs:

Q. More?—A. There are just as many, anyway, as there are under the Board. There are 23,000 that have received financial assistance, and I am satisfied that there are 23,000 more who have never had any connection with us in any way. They may have been turned down for loans, but that would be only a small proportion. So those are the two recommendations I made before, and the two that I think are the most important myself, the most needed. I perhaps should just recall that we have established 23,700 men; of these, 4,400 or 18.8 per cent have abandoned. Of that 4,400—

Q. Just before that, Major Barnett. You have established 23,000. What proportion received loans?—A. All of them. I am only dealing with those who received loans. We really established about 30,000 men, through the Act, and the other 6,000 did not receive loans. Of those abandonments, 700 have been due to death or recurrence of disability of the settler. There is another 300 cases where it is due to fraud or criminal wrong doing. That is, these cases are clearly and principally due to that. There are other cases, there are more than 300 cases where the settler has fraudulently disposed of stuff, but it was not treated principally as that. Perhaps after the settler had abandoned he wrongfully sold property he had no title to, or something like that. So there are 3,400 cases where the abandonment has been due to the land, or to the settler, or to domestic difficulties, or to crop failure, or to the general economic situation. Sometimes it is a combination, sometimes one factor alone. Counting all of these as failures, they amount to 15 per cent. Now, we still have another 4,000 settlers on the land who are having great difficulty. There is another 4,000 that are not getting along well. In one way you might say there is 9,000 who are having a certain amount of difficulty, because taking those who are not making payments at all, and those only making partial payments, roughly speaking it amounts to 9,000. So far as our records show, so far as the reports of our field men throw any light on it, of those 4,000 who are having great difficulty, 2,000 at least are going to fail in any event. It does not matter what you do, they will still fail. They will fail even if you give them the land for nothing.

Q. That is to say, they are unfit for the job?—A. For one reason or another. I read a great many of the cases in the course of the evidence I gave here, a great many of these low-grade settlers, those who are having difficulty. There is the case of the man—and cases of this kind are quite numerous—who is being continually fined, not for infractions of the law so far as the Board is concerned, but for other reasons, liquor laws, for instance, and for domestic difficulties and

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things of that kind. These men are continually in difficulty, and there is a number of them. Then there is the man whose place is going back continually, who is not working. In other words, he gets a property with considerable acreage under cultivation, with the buildings in good shape, and year by year the property is going back. By that I do not mean merely going down in value, which might be due to general conditions, but it is actually going down in physical makeup. It is going back to prairie in the west, the buildings are becoming dilapidated and neglected. Then you have the man who is not a farmer, who is too old in some cases. I read some cases where men had had two or three farms before, and had lost them, and undoubtedly will not make any more of a success of this new venture, no matter what is done for them. It is hard to figure out some of these. You can only approach it in general terms, but there are 2,000 of them, so far as we can tell from our records, who are in that shape; they are bound to fail. Even if the property were given to them they would fail, so long as they could not dispose of it and cash in on the money they got out of it.

Q. In other words, you are disposed to say that no change of law is likely to benefit those 2,000 people?—A. No.

Q. No assistance would be of any material value to them?—A. No.

Q. Then leave that and give us the rest of them.—A. I want to deal with that perhaps just a little later. I will take it from the other end. At the other end of the list you have 700 settlers who have repaid their loans. There are 2,800 men who have been substantially paying off their debt. Some of them I read the other day; I picked one or two from each province where the men had cut down their indebtedness from \$5,000 or \$6,000 to \$3,000 or \$2,000, or even down as low as \$700 or \$800 in the course of five years. Then you have another 6,000 who have been meeting their payments in accordance with the existing terms of the Act. Undoubtedly the interest exemption has helped a considerable number of these men; it has helped them all, it has meant money in the pockets of all of them, the amendments made two years ago, but as far as saving them goes you cannot determine how many of them might otherwise be in difficulty and how many would not have been. There is no way of telling that, and I would not attempt to say how many of that 6,000 would not have been able to meet their full payments if concessions had not been made. It would be pure guess work to try to do that. Now I just want to touch on the financial side of it, because I have not dealt with that before. We have spent on loans—and these are actual cheques we have issued on the Finance Department—\$101,688,170. That is the cheques we have issued on the Finance Department for loans. In addition to that we have paid out on administration over the course of the six years, because the organization has been in existence for six years, \$11,528,704.

By Mr. Caldwell:

Q. How does that come about? That administration charge is given in the report as \$9,668,000, roughly.—A. Yes. I am taking what cheques were actually issued. We advance to the men every year for expense money a certain amount, to the field men. A cheque is drawn, and when we get a refund in we pay it back. I am taking the actual amount we have drawn.

By Mr. Arthurs:

Q. You will give us the figures for the receipts?—A. Yes, what we have paid back in. That is what I want to lead up to, and this is the only way you can take it. That \$11,000,000 is not net, because there are these refunds that have come back, or that may come back in the course of three or four months. In the same way, when we sold a motor car, where we did not turn it in on another car, the money realized on that goes into the Receiver General. We

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draw out a cheque for the new motor car, unless we trade in the old one. Sometimes it does not pay to do that, we are able to sell the car to better advantage than by trading it in. In that case we sell it and get our money. In addition to this—I am giving this so as to give the total that we have expended over the same period of years—the Public Works Department has paid out \$340,000 for office space. Mr. Caldwell asked that the other day, and I am giving it for that reason. The Public Works Department has paid out \$340,000 for all our office space, from one end of the Dominion to the other. So the total cost of the enterprise as far as the issuance of cheques from the Finance Department is concerned, is \$113,646,000 in round figures. We have returned in the same time to the Receiver General \$21,110,643. That is the actual money that has been paid back. We have drawn out of the treasury \$113,000,000, and we have paid back \$21,000,000, or close to 20 per cent of the actual amount that we have drawn. I tried to point this out before, and I wanted to refer to it briefly now; 15 per cent of the men have kept up their payments; 3·2 per cent have paid off their loans entirely——

By Mr. Caldwell:

Q. Just before you leave that other point, I do not think the statement was very clear. We have another statement here of the net administration charges, and the repayments and the initial payments. Your last statement would indicate that you paid back 20 per cent, but that does not mean repayments from the soldiers?—A. No, that does not mean repayments. It has only a bearing in this way, as to the amount of money that we have drawn out and the amount that we have paid back, in order to give the basis of our financial statement as far as the country is concerned. We have drawn from the country so much money and we have paid back so much, and that must be the foundation of the report.

Q. But the report does not indicate how much that would be in the resale of automobiles, for instance.—A. While we have expended on administration some eleven million dollars, our real net expenditure is only nine million some hundred thousands, so the refunds on administration would amount to two million dollars.

Q. What would these refunds consist off?—A. They consist of advances made to officials on travelling expenses, who returned the unexpended portions of them. You have the motor car thing which I have instanced, you have a variety of things. You issue a cheque for the money and it is debited to us, not only in our own books, but in our appropriation.

Q. And you find at the end of the month or the end of the year there is something coming back?—A. The general clearing time is at the end of the fiscal year; all money is returned then.

By Mr. Wallace:

Q. Would the balance of seventeen or eighteen million dollars be repayments on loans?—A. No, the repayments you have in a statement already given and printed as an appendix to the proceedings. The actual repayments from settlers amount to about twelve or thirteen million dollars, roughly speaking, I think.

By Mr. Caldwell:

Q. Is that right?—A. Yes.

Q. In your report you gave us nine million odd dollars as the repayments, and initial payments of one hundred thousand dollars?—A. It has increased some since then, but not enough to bring it up to twelve million dollars; that was only a rough figure.

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Q. What date is that?—A. That is up to March 31st. The statement in the proceedings of the committee is correct. If it is nine million dollars there it is not as I gave it, twelve million. The actual repayments from settlers would be the amount given there.

Q. These figures I have from your report in connection with administration charges show \$9,668,416.58. Interest unpaid till 1922—that was the interest added to the capital indebtedness two years ago—\$7,181,659.89.—A. Where did you get that? That is not right. That is not unpaid interest.

Q. That is unpaid interest as given in your report. "Interest charged and accrued"—A. Yes, but not unpaid. That seven million dollars is paid and unpaid interest.

Q. Where do we get the unpaid interest?—A. I will have to get that for you.

Q. I submit the report is not clear to me.—A. That is the interest that is charged and accrued, exactly as it says it is. As a matter of fact, somewhere about 50 per cent of that is paid, and about 50 per cent is unpaid. I may be out a little in that, but that is the rough figure.

Q. I took it that this was unpaid, because it says "Interest charged and accrued". After that comes "Total loans including interest" and I took it that was the total loans after that unpaid interest had been added to it in 1922.—A. No, that \$7,181,000 is all the interest that has been charged up on all loans, including paid interest and unpaid interest. We have an interest account, and the interest is charged up and entered in that account whether it is paid or unpaid.

Q. Have you the unpaid interest?—A. No, I will have to get that for you.

Q. "Other expenditures, \$1,116,512.56." That is the total or net administration charges regarding the settlement of Indians on land, and so on. I do not know exactly what it includes, but that is the way it is put in your report. Then the remission of interest would amount to about ten million dollars, I think you told us.—A. For those settlers now on the land. It amounted to more than that in 1922, it amounted to twelve million dollars, but since then settlers have failed. For the settlers now on the land it amounts to ten million dollars.

Q. I thought we figured it about thirteen million.—A. We figured about twelve million.

Q. Is this the fact, that we are actually only out the ten million dollars due to the fact that some of them failed?—A. Yes. The failures that have taken place since consolidation—

Q. You have the land on your hands instead of the settler?—A. We have the land on our hands.

Q. Of course, you say this interest is not interest unpaid?—A. No, not all.

Q. Can you give us an estimate of how much is unpaid?—A. I think it is about 50 per cent, but I may be a little out there.

Q. I have that totalled up as \$27,966,589.03; say we make that twenty-eight million dollars. That would be administration charges, interest unpaid, other expenditures, and remission of interest. Now, the total repayments amount to \$9,779,925.19, and the initial payments something over \$100,000, making a total of \$9,957,000 roughly. Take that from the \$27,000,000 and it leaves us \$18,000,000 on the wrong side of the ledger in the carrying on of the enterprise since it was instituted.—A. You are out more than that, if you figure it that way, because you are only figuring 5 per cent interest on the money, and most of the money that is out has cost more than 5 per cent.

Q. I am just taking your own figures from your own report; I am not going back of that at all. Personally,—and I have said this several times before—I am surprised that you have not had more failures, but we are considering this now from the aspect of how the country is going to get out of it. I think we will all admit that there is going to be a loss to the country, and we must see how we

can make that loss as small as possible.—A. As far as your interest is concerned, the whole origination of the scheme must have contemplated a loss to the country as a whole. There was no chance to do otherwise; as far as the country was concerned, but to lose money, because no provision was made for caring, either by an interest charge over and above the amount of interest the country was paying, or by any acceleration in prices, to cover your loss.

Q. There was no provision made to take care of the administration charges, of course? —A. No provision made, and provision is not made to take care of the interest charges that the country itself would have to pay for the money.

Q. That is, the money was loaned at a lower rate of interest than it was costing the country, about one-half per cent? —A. Yes, about that. In any ordinary business you figure on making a loss on some things and a profit on others. In this case, every loss is a dead loss. The profit, if the profit accrues from a good buy, goes to the man who bought, not to recompense anybody for other losses which may have been made. I do not imagine for a moment any one every thought that an organization could be created as this one was which would not make some mistakes, in fact a good many mistakes.

Q. I do not think, Mr. Chairman, that we are laying these losses to mistakes; it is more to conditions over which nobody has control. Owing to a deflation in the prices of products, while the price of everything else is going up. I do not want to be misunderstood. Personally I have followed this work very fully from the beginning, and I do not see any place where the Board could have done any better than it has done. At the same time, I think we must recognize that this scheme is in a very very precarious position at the present time; that the country is going to have a very much greater loss than was anticipated at the inception of the scheme, and our duty is to devise a way out of this which will mean the least loss to the country, and the least loss to the settlers.—A. I do not see where the consideration of interest and administration, except as a guide to what probable administration costs will be, or probable interest costs will be in the future, will be very valuable. What has been lost, whatever it may be, is lost. No action that you take is going to affect those losses that have occurred. So attention must be rivited on consideration of what is the probable loss in the future.

Q. And the only way to arrive at that is by the past history of the thing? —A. What you do with regard to —your interest does not enter into it. If you charge no interest, or make a capital cut, or a revaluation, call it anything you will, you are taking that much for certain right away, without waiting for the lapses of years to see what it will amount to. It does not affect the loss on your interest in any way.

By Mr. Arthurs:

Q. You have already given us the figures as to the transactions between yourselves and the Receiver General's office?—A. Yes.

Q. Those are most enlightening, I think, and cover the ground fairly well. Could you also give us an approximate estimate—I know it would be only an approximation—of the amount, the percentage due to your Department with regard to that which is liable to be repaid, and that portion which is liable to be a loss, or the proportion of such loss? Do you understand what I mean? There is a certain debit now as between you and the Receiver General, amounting to roughly eighty or eighty-two million dollars.—A. There is ninety-four million dollars. That covers everything.

Q. That is what I want to get at. Could you give us an estimate of the probable assets collectable or partially collectable?—A. Of course, it is difficult to do that, but I can give you this. Here is our loan statement, as far as the settlers on the land are concerned. That is the first step in it, and I can give you the interest that is paid out of that seven million dollars, too; I see I have

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it right here. The total loans to settlers, \$100,425,000; interest paid by settlers \$4,014,000; initial payments returned, where no sale has been made, \$1,667,000; surplus returned on estates and foreclosures, \$37,000. That makes a total disbursement to settlers of \$106,243,000. This is an entirely different account; it is the settlers' account. Now we have received as an offset against that, from settlers \$5,788,000, in initial payments; in repayments of principal \$8,961,000; in repayments of interest \$4,014,000, making a total of \$18,763,000. The total principal due by settlers is \$87,480,164.

Q. The difference between that and \$93,000,000 would be the loss up to the present time, providing that was all collectable? A. The only thing to be added on to this would be the interest accrued since. Practically speaking, the real loss on the thing is the difference between \$94,000,000 and \$87,000,000.

Q. Plus that part which is uncollectable?—A. Plus that part which is uncollectable.

By Mr. Caldwell:

Q. To come back to those figures I was giving a few moments ago, I find that your figures and mine would come to exactly the same, because part of my figures were included in other items of yours.—A. We have had repayments on principal of \$8,961,000, but that is not necessarily all repayments on principal from settlers who are now on the land. Part of that has arisen from salvage.

Q. Then your report here does not agree? You give it here, "Repayments, \$9,779,925.19."—A. Yes, that is the payments from settlers on the land.

Q. Now?—A. Yes, settlers on the land now.

Q. We want the totals. You are giving them now, but I have been figuring from a wrong premise altogether, apparently. I thought the total repayments meant the total repayments by soldiers who had been settled on the land.—A. The total repayments are just as I have given them. That is not collections. I do not want you to think we have collected that. That is the reason I gave the figure of \$12,000,000 because I had that in my mind; these are not collections. We have collected \$8,961,000 on principal and \$1,000,000 on interest. Some of that, the biggest part of that, is payments from settlers who are now on the land, but there is a portion coming from the clearance of estates that have been closed out.

Q. From resales of land?—A. From resales of land resales of stock and equipment, and anything that is salvaged. That all comes back in, and is credited.

Q. Then your amount of \$9,000,000 for repayments by settlers would be correct?—A. Yes, from a collection point of view.

Q. To make up your \$12,000,000 the balance would include resales of land?—A. Yes, and resales of stock and equipment, and anything that comes back. We advanced \$100,000,000 for these purposes. We sold a parcel of land, say for \$2,500, and that is credited as a payment.

Q. I would like to keep that part of it from the total repayments by settlers, because this salvaging of land is another question and comes under a different head in your report, I think.—A. This is the statement that you have to go on.

Q. Your standing with the Receiver General?—A. No. What I am giving now is our general ledger account, on our loan ledger, showing the amount we have advanced to settlers and the amount we have got back in on that account, and the total balance that is outstanding and owing by settlers is \$87,480,000. As Colonel Arthurs said, the loss is the difference between that and the \$94,000,000, plus whatever is uncollectable of that \$87,000,000. You have also to add five years' interest on the total amount.

Q. Then there is another feature of it, to answer which would be more or less fortune telling. That is, the loss on your salvaged property. I think

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you told us a moment ago that most of the failures due to bad land were salvaged; that is, that you have on your hands a lot of land that is admittedly not fit for farming?—A. Yes.

By Mr. Ross:

Q. How much?—A. We have on our hands unsold, 2,800 parcels of land, roughly.

Q. About how many acres?

By Mr. Caldwell:

Q. What is the average size of a farm?—A. That varies. I think I can give you the acreage in a moment. That does not really tell you as much as the number of farm units, because out in some parts of the country, in British Columbia for example, some of the farms only consist of ten acres, and yet they cost as much as a hundred-acre farm in Ontario.

By Mr. Ross:

Q. You have 2,800 farms?—A. Yes, farm units. In the West the size would probably be 240 acres.

By Mr. Caldwell:

Q. Could you give us the average cost of these farms to you, the farms you have on your hands?—A. Of that 2,800 farms you have, roughly speaking, 1,000 that we have nothing in for land. The land cost us nothing. There is Dominion land that was a free entry, and there is the land that we advanced on by way of mortgage.

Q. About how many would there be in that class?—A. Between the two there is about 1,000, running about 800 in the first class, and 200 in the second; just a little under a thousand cases altogether.

Q. That would be about 1,800 that you bought?—A. There are 1,800 purchased farms that were really bought, which are on our hands and are undisposed of.

Q. Could you give us a rough estimate of what those 1,800 farms cost you?

MR. ARTHURS: We were told the other day that the other is worth \$20 an acre.

By Mr. Caldwell:

Q. I take it you stand to make something on those 800 homestead farms, if they are in a good locality. But are they mostly in a poor locality?—A. There are some of them in poor localities, and probably we will do no more than clear the deficit that has occurred on stock and equipment, and for the advances we made. In some cases they will not even do that, but on the whole the Dominion lands will aggregate a surplus. How large it will be I do not know.

Q. On your other 1,800, what percentage of them would you consider to be land unsuitable for agriculture; that was the reason for abandonment?—A. I would not like to hazard a guess on that.

Q. You told us a while ago that a large number of the failures were due to the fact that they were on unsuitable land, and I would take it that those farms were all on your hands yet?—A. No, not all. We have sold some land. We have sold some to men who wanted them for pasture, for grazing land, or something else. We have sold some of them for summer resorts; we have sold them for a variety of things. As a matter of fact, on some of the poorest buys we made, from a farming point of view, we have got out with a whole skin because some fellow wanted it for a summer resort or a hunting camp or something like that.

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Q. Or a place for a still?—A. Well, as a matter of fact, in the province of British Columbia, along the boundary line, we did not have enough salvaged farms to go round. As fast as they come back on our hands we can get rid of them. That is the situation there. There is not a large number of these cases, but there are some. It does not necessarily follow—and this is the point I am making—that the place we call unsuitable for farming is always unsaleable. As a matter of fact, I could show you scores of places which we have sold, places of that kind. Just the other day I approved the resale of a place at quite a considerable surplus to a doctor who wanted this particular place. It was only a small four-acre farm, and its real estate value was away above its farm value. On the other hand, we have undoubtedly, as I have frankly said, got places still on our hands that personally I do not think are worth anything. Our worst province in that regard is Manitoba.

Q. What amount of those would there be?—A. In Manitoba there probably would be 150 cases.

By Mr. Carroll:

Q. Is that in the open prairie country?—A. It is on the west side of Lake Manitoba, between Lake Winnipeg and Lake Winnipegosis. Some of that unsaleable stuff is not all purchased land. I do not know whether we have 150 purchased farms there or not. We had a great many in Quebec, but we have taken large losses on the poor stuff there. In one case we bought what had been a race track, all sandy soil, and on some resales we have taken losses as high as \$3,000.

By Mr. Wallace:

Q. Do you consider that you have any unsaleable farms in Ontario?—A. I am not as conversant with Ontario as I am with some other provinces, but I have no doubt that we have some farms that are not, under present conditions, saleable. In eastern Canada, except for New Brunswick, we have cleaned up our salvage pretty well. We have resold pretty well a very large percentage of the stuff that has come back on our hands. Down in Elgin county and a portion of Norfolk county we have some stuff that is going to be hard to sell, and which will involve taking considerable losses, and we have odd farms here and there in other parts of the province where losses undoubtedly will be involved. We are taking losses all the time. While we have a paper surplus of \$700,000 on the farms we have sold in the aggregate, in that are a great many farms where we have taken large losses.

By Mr. Carroll:

Q. That case in Manitoba, was that in the first days of soldier settlement?—A. It ran through 1919 and 1920.

Q. It did not happen after 1920 very much; you had better field men?—A. Yes. In that case, quite frankly what happened, there was crooked work involved. I was then in a field capacity with the Board, and I was summoned to go to Manitoba and hold an inquiry under oath, to hold an investigation, as a result of certain charges made by the G.W.V.A. in 1920. As a result of that I recommended—, I summarily suspended two of our staff there, and recommended summary dismissal. I also laid a criminal information against one of the vendors who had been selling to us, and the result was that he skipped out of the country, and we have not been able to get hold of him since.

Q. The Department took every precaution after that to see that things were done in a more businesslike way?—A. Yes.

Q. And it was no fault of the Department in those days?—A. No doubt about that. It would be an impossibility to go around and pick a staff of 1,600, as we had at that time, and pick all honest men and men who were capable. It could not be done. We were restricted to returned soldiers; personally I do

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not think we got any worse service because of that; in fact I think we got better service. Some of the worst service we got was from the old loan company inspectors.

By Mr. Caldwell:

Q. Did you not find this, that the old loan company inspectors were inclined to unload properties on you which the loan companies were interested in?—A. No, we did not have that. In the bad places where we have stuff, loan companies had no loans for the most part. That was a most peculiar thing, that we had loan company men sitting on our Advisory Board who passed loans in districts where they themselves would not loan money at all. I think the way they felt was that the man wanted the land there, and there was a great deal of pressure brought to bear, when a man wanted one particular piece of land. He wanted that particular piece and nothing else, and there was a greater tendency to take his judgment.

Q. Do you know as a matter of fact that loan companies sometimes make doubtful loans?—A. Yes.

Q. But there is this difference, that they only loan up to 50 per cent of the value of the property. Probably that is something the loan company men on your Advisory Board failed to grasp.—A. We got good service from them. I am not reflecting on the loan company men at all, because those men who sat on our loan committees gave us, in practically every case, extra good service, and for a long time they gave it without recompense at all. They did that until we began to unload them up with work, meeting after meeting, day and night, and then a \$10 a day fee was given them, for each day they worked. Up to that time they were giving us their services for nothing, and they did give us good service, and helped us wonderfully in instructing our staff. Everybody was green on the thing, and lessons had to be learned, and the loan company men who sat on our Advisory Boards were all of great assistance. Only in the odd districts like that in Manitoba—and there I think they thought it was a chance to open up a new country. They figured there were four lines of railroad running up into a more or less unsettled country, and they thought if the men wanted to go there they should be allowed to.

Q. Then it was a new, unbroken section of the country?—A. Yes.

Q. It had not been proved as a farming section?—A. No, not altogether, but I think there was enough information to keep us out of there.

Q. If good judgment had been used?—A. Yes. It needed a good stiff backbone in handling a settler and telling him he could not have assistance up in that particular section. Of course, you get a great deal of pressure from localities against which you discriminate. For instance, if you go into southern Alberta and say, "This is a dry area, we will not give loans here at all" you have tremendous pressure brought to bear from towns like Lethbridge and so on, to make loans.

Now, I wanted to point out this, that 3.2 per cent of our men have paid off their loans. 13 per cent have made substantial prepayments, and 27 per cent are meeting their due payments in accordance with the terms of their existing agreements. There is a statement used frequently by insurance companies, how correct it is I do not know, that out of every 100 men, upon reaching the age of 65 only one becomes wealthy, four become well-to-do, and five are still having to work for a living, while 54 are dependent upon friends and charity. They said on a similar computation, actually the percentage of men who are doing well under the Soldier Settlement scheme— unless farming is a lot better business than other businesses— should only be about 6 per cent instead of 15 per cent as it is, and the failures, instead of being 18.8 per cent as they are, should be twice that in the five years time, unless farming is a better business than

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any other, and I do not believe it is, myself. If you put farming on a parity with other businesses, then you should have looked for, in five years, a percentage of failure of about 35 per cent; you should have looked for a percentage of men making a considerable success of 6 per cent or 7 per cent.

By Mr. Speakman:

Q. If the soldier settler under the Act had been treated with the same degree of strictness that the average business man was; if the average farmer who had borrowed money or was under obligation to a private loan company were treated the same as a private business man, I think possibly the percentages would be very much greater. Then there is another point in regard to those who have succeeded in the sense that they have paid off the whole or a large part of their obligations. Have you any idea at all as to how much of that was paid through the man having come into money from other source? I know of a number of cases, although I do not know in the least how far they are general—but I know of a number of cases where a man married a woman who had some money, and who used that money to pay off his obligations. I know of other cases where a father stepped in to assist a son and give him the money to pay off the loan.—A. That applies generally just the same. A returned soldier starts a shoe business or a grocery business; he gets a windfall just the same, so that factor will average out just the same in one business as in another.

By Mr. Caldwell:

Q. There is this fact, that they paid no interest on their stock and equipment, and made no repayment for the first three years. Then for the last three years they have paid no interest at all. They have had a better chance in that respect than a man under ordinary conditions. We admit that the percentage is very satisfactory, but to make an active comparison with ordinary conditions, you must allow for these other circumstances.—A. Quite; I quite admit that, but I do say that when this scheme was inaugurated, people looking forward to it should have considered that even with the special advantages that were given, 5% of the men having a considerable success is a good percentage, and I do not care so much how it came about. Some men may have achieved their success by selling the land, and some from windfalls. A great many of them have made their success off the farm. There is the man in Frontenac county who has reduced his loan from \$6,000 down to about \$1,000, just from the farm.

Q. If there had been no remission of interest, do you not think the percentage of failures would have been much larger in the last two years?—A. Yes, I think it undoubtedly was a great assistance. It undoubtedly checked off failures. But our district superintendents all tell us this, that it has had the effect also of holding the man on the land who, in his own interest and in our interest, should have failed. In their own interest and in our interest, the sooner they got off the land the better for them. That is not their place, yet some of them are holding on. Undoubtedly it saved a great many. I am not trying to argue that the concession made two years ago did not help in preventing salvage. It did. The whole point I am making is that when you determine whether this is successful, I think the people should not expect too much, considering the way it was started. Leaving out economic conditions, you start out 23,000 men with practically all borrowed capital, and put them into any business, and your percentage of men who, at the end of five years, are really in a strong position, is going to be very limited, and your percentage of failures must necessarily be very high, or else farming is a better business than any other, and I do not believe that. I am not arguing that it is.

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By Mr. Speakman:

Q. Just touching one thing, as to the effect of the amendments, I noticed in your report where it speaks of the diminution of almost 50% in abandonments, it goes on to say, "Undoubtedly, however, the decrease in the number reported as failures was due to the legislation which was passed by Parliament in the summer of 1922." So evidently the opinion of your officials is that it was due to the amendments passed.—A. Yes, but a great many of those abandonments, a considerable number—there are those 2,000 cases we have still on our hands, and a very considerable number who, but for the extension that was given, would have salvaged. It just deferred the day, as far as those people are concerned, but to the other settlers it did substantial good. I am not arguing that the concessions were not of value, because they were of very great value.

Q. Now, there is just one other thing. I have made the two recommendations that I have to make. I feel that from all the reports that we can get, any relief that is given will make a material difference to the individual man, but so far as failures is concerned, so far as collecting back money is concerned, if we are able to deal with these special cases, if we are given power so that the man who is on bad land, improperly settled can be adjusted and put right, and his debt cut down—when you deal with all these cases and then take out the balance who will be helped by nothing, taking the men who, no matter what you do, cannot be helped, the number of men who are actually in need of relief, who are going to fail if they do not have relief of some sort, is very small. That is our conclusion, if you deal with the special cases. Furthermore, the remedy, the thing that is troubling our soldier settlers is the thing troubling all farmers. It is the high cost of what they buy and the low cost of what they sell, and if I could put it in the form of a smile, a man who has something wrong with him internally, is not cured by putting a plaster on his back that is going to relieve his pain for a little while. The thing is to get at the root of the disease. With the soldier settler who is being burdened by that situation, and that is the only trouble he has, in fairness the only remedy that should be applied is the thing that will deal with him as it will with all other farmers. There should be no reason for making special cases out of it, because that would be only a palliative, and not a remedy. If it is felt that something should be done, then I think the suggestion made by the Ralston Commission, which had an opportunity of hearing soldier settler witnesses all over the country, who gave evidence before that commission in Winnipeg, in Vancouver, and at a great many points, that you cannot determine on a revaluation or a capital cut what amount should be given is good. Present prices today, and the present economic situation are not the slightest bit indicative of what the situation will be ten years from now. It may be even more flourishing than it was in 1919. The whole thing may have righted itself by legislation, by co-operation or by a general state of the world, anything you might go on and you cannot determine what the settler has suffered or what he is likely to suffer when you have only passed five years of a twenty-five year period, so that the logical thing, if you do want anything at all is to give a pledge to the men that they will have revaluation, that they will have an inquiry determining what it is but at such time when an average can be struck. That seems to me the substantial and the solid way. If you are going to do anything do it at a time when you can determine what is the average for 25 years.

By Mr. Caldwell:

Q. You say give the men a guarantee they will get revaluation. I would rather put it, "Give justice over the whole term". It would be futile to bring such a recommendation as that to Parliament to-day. It would be futile to make a recommendation to Parliament promising readjustment 15 years from now.—A. Power can be given adding a clause to the agreement for the amount to be determined to be paid under that. There is nothing to prevent that being

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done. Empower the Board to add that clause, that in 10 years' time or five years' time an average could be struck.

Q. You say add it to the settler's contract?—A. Yes, make it a part of his contract.

Q. The difficulty is this, the contracts were already made with these men. I presume it is not intended to go ahead in any extended degree?—A. We have altered the contract two or three times and where it is altered for the benefit of the settler, of course any clause that would be added to his contract would only be where inquiry would show that he had suffered loss. Where he made a good buy he would have the benefit of his good buy but where the amendment is made it could be made in favour of the settler. 'This Parliament is not going to change it or a succeeding Parliament only in so far as it might be amended further to his further advantage. That is what I certainly felt, and to get at the root of the question of the whole situation, that suggestion of the Ralston Commission is the sound one and the right one but supposing that the Committee felt that something should be done immediately, something tangible in the sense of a direct cut, then I have changed my attitude since the last time and I felt this that as between interest exemption or a capital cut, if the object is to retain men on the land, then there should be a capital cut outright and not a camouflage under interest exemption is far preferable. I might tell you why. Our interest exemption failed the last time because settlers did not appreciate that they got anything. They had some idea that that interest they were exempted, which in some cases amounted to \$1,400 in the individual settler's case but the settler thought somewhere he was paying it on the end and he did not re-act to it at all.

Q. Do you think that is very general?—A. Yes, I think that is very general. We have examined it. It is not only general among soldier settlers but it is general publicity. There is a feeling that that interest concession was not any great concession. The settler understands consolidation; he understands his payment are less, but he understands that somewhere on the end that interest is being charged up against him.

Q. It is simply a case of the deferred interest?—A. Yes. If you want to get the psychological effect, whatever he is given, if you are going to hope to realize anything that may in holding settlers on the land, any relief that is given has to be given in the way that he can understand it and that makes that situation, that he looks over his farm, and he says, "Prices are away down. This outfit that I bought for \$6,000 is only worth four or five thousand dollars to-day." That is my feeling as between interest exemption,—and I know there are a great many difficulties in the way of capital cuts, but if the central idea is to have some effect on the men on the land, then as between those two I think if power is given to us to deal with the individual case and with the right and wrong and if at most the contract is amended to provide for all cases of revaluation in a period of 10 or 12 years, that that meets the situation and will have just as good an effect as any concrete proposition that can be made.

Q. I can see the difficulty of that deferring of revaluation. It sort of says, "If I work hard and I make my payments I do not get any cut."—A. The man that makes his payments gets just as much of a cut.

Q. I would hate to think also that our soldier settlers were so ignorant that they did not realize this remission of interest was a big thing to them. I have not found any in New Brunswick.—A. I found in your own county, travelling through my old home case after case of the settler all along the road—they all knew that consolidation meant a lot but they did not appreciate it. For instance a settler named Pratt in Hartland had \$1,200 of a gift and never knew it at all.

Q. Do you think that man Pratt is a fairly representative case?—A. All the way down circling from Hartland to Woodstock I never struck one that appreciated he got anything on his interest cut, never struck one man.

By Mr. Knox:

Q. What do you think of the argument put up by some people that the capital cut might be taken by returned men as a hand out to men on the land?—A. There is perhaps a little more danger of that than there is on the interest exemption. There is perhaps considerably more danger, but in the long run, getting down, it is the same thing. For instance, the fellow who has been paying off his loan to us, if he had invested it in bonds—we have some fellows who have made their payments by selling bonds, which brought in 5 per cent. If they had not paid that money they would get the benefit of an interest exemption. On the other hand we have the returned soldier, who owes banks, who owes implement companies and he is paying eight or nine per cent on his debt. That soldier settler is paying eight or nine per cent while the soldier settler who owes the Government is paying nothing. When you get down to it it is the same thing. There is not much distinction in the two methods and you have the disadvantage, as I say, of the settler not knowing what he is getting.

By Mr. Caldwell:

Q. You speak of the soldier settler owing banks and machinery companies. Do you find that class of settler has much credit?—A. I am speaking of the soldier settler we did not buy for, but there are some of our settlers where unfortunately one of the causes of failure is the fact that they could owe banks and implement companies.

Q. They have no credit with anybody?—A. They had credit. We have a lot of cases now where we are paying off the creditors. I can quote case after case where we are handling the whole of the receipts of the man, everything he gets in, in an effort to pay off these people who sold to him.

Q. If you continue to pay those debts I think you will have a very hard time?—A. The thing is this, that it is the only hope, if the man is to get these other things wound up and we have made them sell that surplus stuff they bought; we have made him undertake to pay his proceeds into us; we are acting as a trustee for him directly on all his receipts. A lot of our men are put into salvage by their outside debts. We have also a lot of men who have surplus portions of land. They had a quarter section and they went and bought a half section on their own hook. That is a very difficult case to handle too.

Witness retired.

The Committee adjourned until Friday June 6, 1924.

APPENDIX No. 6

COMMITTEE ROOM 429,

HOUSE OF COMMONS,

MONDAY, June 9, 1924.

The Special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers, met at 11 o'clock a.m., the Chairman, Mr. Jean J. Denis, presiding.

The CHAIRMAN: Gentlemen, we will now proceed. As far as I can see we have a quorum.

Mr. KNOX: Before Colonel Thompson proceeds I would like to arise to a question of privilege. At our last meeting, when Major Barnett was concluding his evidence I had asked him in regard to a suggested amendment or improvement dealing with soldiers lands. I had asked him what he thought of the argument put up by some people that a capital cut might be taken by returned men as a hand-out to the men on the land and I am reported here as having asked what he thought of the argument put by some people that the capital cut may be taken by returned men and handed out to men on the land. I just want to point it out so that it might be corrected.

Colonel JOHN THOMPSON called, sworn:

By the Chairman:

Q. You are Chairman of the Board of Pension Commissioners?—A. Yes.

Q. Would you kindly tell the Committee now what is your opinion about the different recommendations that were made by the Ralston Commission regarding the Pension Act?—A. I am reading from the second interim report from the Ralston Commission dated May, 1924. At page 9 appears the first section referred to by the report. It deals with Section 11 (1) (b) (Formerly 25) (3). It reads as follows:

“No deduction shall be made from the degree of actual disability of any member of the Forces who has served in a theatre of actual war on account of any disability or disabling condition which existed in him at the time at which he became a member of the Forces; provided that no pension shall be paid for a disability or disabling condition which at such time was wilfully concealed, was obvious, was not of a nature to cause rejection from service or was a congenital defect.”

The recommendation with regard to that section will be found at page 10, about the middle of the page headed, “Recommendation of Commission” and this is the recommendation.

“That necessary steps be taken to ensure that the interpretation and practice indicated in the Instruction above quoted is invariably followed.”

I might say that is the practice as far as I am aware and any case which comes up for review where that was not followed the readjustment is made accordingly. I understand there were a number of cases, not many, in the flood of demobilization which were not pensioned strictly in accordance with that section but I think I am safe in saying that where any such case is brought to our attention the necessary adjustment is made.

Mr. SHAW: Shall we ask questions as we go along?

The CHAIRMAN: Yes.

By Mr. Shaw:

Q. I would like to ask with regard to that question of wilful concealment referred to in the section, are you aware, Colonel Thompson, of the case of the man Liddell, who had some mental disturbance prior to enlistment and was accepted as fit and the ground taken by the Pension Board was that he wilfully concealed his disability?—A. Yes, I think that was so.

Q. It comes under this particular section?—A. Yes.

Q. Do you think that the case, while it might have been in accordance with the section is in accord with what was just and right?—A. I think so. I did sign the judgment. I think it is quite fair. I might just read the judgment. It will show what the circumstances were in that case. (Reads):

"No. 865625, Pte. Herbert S. Liddell, 8th Bn.

1. The marginally noted was in a mental institution in England in 1906.

2. He was in a mental institution in England in 1907.

3. He was in a mental institution in Canada in 1913.

4. He was in a mental institution in Canada in 1915.

5. All the above mental episodes were prior to enlistment.

6. The man enlisted in the forces the day he was discharged from Brandon Asylum.

7. His condition was wilfully concealed.

8. He had no further mental episode on service.

9. He was discharged in June 1919.

10. In May 1920—one year post discharge—he was admitted to Selkirk Mental Hospital.

11. His condition always has been dementia praecox.

12. Medical opinion is strongly to the effect that there was no aggravation on service. Specialists—namely, Drs. C. H. Clark and Farrar—are very strongly of the opinion that there is no relation whatsoever between the present mental condition and service. They state that there was no mental reduction on service.

13. Dr. Barnes considers that probably there was some aggravation on service.

14. Bearing in view Dr. Barnes' certificate that there probably was some aggravation on service the Board, after giving the man the benefit of a very attenuated doubt, considers such aggravation on service was negligible, although the great weight of medical testimony was to the effect that there was no aggravation on service."

Q. As far as the Pension Board was concerned they held that he wilfully concealed his prior mental episode?—A. Yes.

Q. What do you mean by wilful concealment?—A. We considered it was something he ought to have disclosed to the recruiting officers.

Q. Is he called upon to disclose them?—A. I do not know, I am sure. He may have been asked.

Q. If he were really insane he likely would not disclose it?—A. If he was insane at the time he might or might not; I do not know.

Q. If he were insane he would not disclose it because he would think he was perfectly sane?—A. He had no further episode on service at all. I presume the fact that he was freed from the Brandon Asylum would show that he was not insane when he was discharged.

Q. He was not insane?—A. No, I would not think so.

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Q. Why should he be called upon to disclose the prior mental disturbances?—A. Because they were so numerous. There was one in 1907, one in 1913, one in 1915, one in 1919, and the day he was discharged from the asylum he enlisted.

Q. He would be discharged as fit from the asylum?—A. He probably would not be insane. He had dementia praecox. It had existed right along. I am not a medical man to say whether a man who has dementia praecox gets cured of it but my interpretation is that you are never cured of it.

Q. The man apparently served for a long while and he came back and had a recurrence. Apparently according to the memorandum you read the D.S.C.R. admitted disability for the purpose of giving him treatment?—A. I do not know. I cannot say as to that.

Q. Your records would indicate that they admitted an aggravation of the disability?—A. No. That is when it came up for pension purposes.

Q. But he had received treatment after his discharge from the D.S.C.R.?—A. That I cannot say. I have not got the files. I have just this part of it.

Q. Do you not think that the fact that the man was accepted as fit for service by the medical staff of the army should be a starting point instead of going back through all his previous history?—A. I think it is very unsafe, knowing the thousands of cases where they were clearly not fit.

By Mr. Humphrey:

Q. But accepted as fit?—A. Accepted as fit, but clearly obviously not fit.

By Mr. Shaw:

Q. What is the responsibility of the medical officers in the army?—A. I take them as they appear before us, as pensioners.

Q. I want to find out now what purpose is to be served in having an examination when the man goes into the service. Why have one at all under the circumstances?—A. I do not know. I cannot answer that. The examination of course, in the United States was a very strict examination and for that reason their section dealing with similar cases would appear on page 9 and this is their provision.

“That a member of the Forces shall be taken to have been in sound condition when enrolled for service, except as to defects, disorders or infirmities.”

By Mr. Humphrey:

Q. Under this clause, in all your pension cases, has it been the practice of the Board to refer back previous to enlistment to cases that would come under pre-war disability or under the clause “wilfully concealed”?—A. Oh, yes. Some are not given a pension on that ground. I cannot cite an exact case but the case of a man who had something wrong with his spine. He had been on pension for some time but it was quite clear he had no injury on service and he was examined by the pension examiner as to how it was he was passed by a doctor and he said, “I turned so he could not see there was anything wrong with me.”

Q. No provision is made for the medical examiners’ oversight in that way, no responsibility placed upon the Crown or the country in that respect?—A. That I do not know.

Q. No consideration has been given by the Board of Pension Commissioners to that responsibility upon the country?—A. No, not as far as that goes.

By Mr. Arthurs:

Q. Is any distinction made between the man who has only passed perhaps one medical examination, that is taken upon his enlistment, and the man who

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has had many subsequent examinations both in Canada and in England before proceeding overseas, where no defect was found? In any of these examinations would that have any effect on the decision of the Board?—A. Yes. If I might give you two illustrations that recently came before the Board, namely, where a man came from England a number of years ago where the man was free from bronchitis for five or six years and served for one or two years in England before he got to France. There was no question about that. We gave him his full pension, but against that a man enlisted and he broke down—I forget whether he got to France—but when he was examined in England, he said, “I have had bronchitis right along regularly since I was thirteen years of age.” That man was reduced in pension. I cite those two cases to show a distinction between what we consider a concealed case and one which is established.

Q. Mr. Shaw says there is a certain liability incurred by the Crown when they make an examination of a man, approving him as fit before he enlists. Subsequent to that almost every man was examined in Canada several times and again on arrival in England before departure for France. People from Canada were examined at least five times in Canada before a Board of three doctors and they threw out certain men and they were examined again in England. If the man passed all these examinations it should be *prima facie* evidence that he is fit, should it not?—A. It would depend. I would not say definitely yes, but I regret to say a heavy percentage in the battalion which I was serving in that reached England were obviously unfit after four examinations before they left Canada.

By Mr. Clark:

Q. In the case we are discussing did the man reach France?—A. The mental case?

Q. Yes.—A. Yes, and he served in France.

Q. Did his medical history sheet show how often he had been examined?—

A. I do not know. That would show. I have not got that here.

The CHAIRMAN: Perhaps I might point out to the members of the Committee that particular cases are not to be discussed now unless they have some bearing on general principles. This is not in the way of criticism at all but in order to carry out our work. If any member should come along with cases having a general bearing we can examine the Chairman of the Pension Commissioners but particular cases would get us nowhere at all. There is another redress for anybody who might claim that in some particular case the Board has made a mistake or did not do justice but if the particular case has some bearing on the general principle then it is quite evident that this case can be quoted; otherwise particular cases should not be brought before the Committee now. Moreover if some members of the Committee would like to bring up some particular cases notice might be given and in that case the Chairman would be in a position to answer questions. Of course as we all know there are about 40,000 cases all told and the Chairman is not in a position to answer offhand concerning any particular case. On the other hand I wish to point out to members of the Committee that I do not want in any way to restrain their actual course. If the Committee is satisfied with the explanations given to you with regard to Section 11 (1) (b), Colonel Thompson will proceed with the next recommendation.

Mr. SHAW: This seems to me one of the most important sections in the whole Act. I did not have any intention of citing particular cases except that it is so well known to the press and otherwise and it brings up the question of a very grave weakness in the section. That is the reason I wanted it discussed and I wanted to get the interpretation of Colonel Thompson not only

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of the "wilfully concealed" part of the section but also what is understood in the rulings of the Pension Board by "was obvious" "was not of a nature to cause rejection from service" or "was a congenital defect". Could Colonel Thompson give us a limitation to these words in each case?

WITNESS: I cannot do that offhand now. If you can give me any particular case I can tell you whether we pensioned him or not.

By Mr. Humphrey:

Q. If there was an amendment in the Pension Act to-day to this effect the same as is now in force in the United States, that a man upon enlistment, being medically examined would be taken to have been in sound condition, under those cases of "wilfully concealed" would he become entitled to a pension?—A. I should say in the United States the mental case would not be pensioned.

Q. He would have been taken as a sound man?—A. Except as to defects, disorders or infirmities. It is quite impossible for me to state or for any person to state that this, that or the other thing would be obvious in one general definition now. The Statute says what shall be pensioned and what shall not be pensioned. Therefore it is only possible for the Board of Pension Commissioners to decide when any particular case comes up as to whether that will be or will not be pensioned, pensioned for aggravation or pensioned in the whole.

By Mr. Shaw:

Q. You must predicate your decision upon certain facts. You must have the facts before you?—A. Yes.

Q. In what form are the facts presented to you? I understand the Board of Pension Commissioners sit in Ottawa but we will presume the man is out in Vancouver; how are the facts presented to you?—A. We have the headquarters file, the medical documents, the record of his various examinations and we have the case prepared, embodying all facts and circumstances. That is the way it is presented.

Q. Take for instance the expression "wilfully concealed"?—A. Yes.

Q. "Wilful" indicated an intention in the mind of the soldier in question. How can you determine that?—A. We would have to take that from all the circumstances of the file.

Q. You draw your conclusions from the facts as presented to you in writing by your officers and any other source from which you can get them?—A. Yes. We never see the man himself unless he comes to Ottawa. A few years ago one of the Commissioners would go on tour and see any complainant.

By Mr. Clark:

Q. Could you give us any estimate of the number of cases that have been refused pension because of wilful concealment?—A. I could not say offhand.

Q. I find these four phrases very difficult to interpret and I think it would shorten the matter for the Committee if we could get a concise statement prepared for presentation to the Committee at a later date and it would probably save us a good deal of time in discussing it now. We could then discuss it after we have seen a short summary of the legal interpretation of these four phrases.—A. My impression is, Mr. Chairman, that this section was discussed at length before at one if not at more of the proceedings of the Parliamentary Committees.

By Mr. Shaw:

Q. They did not rely on the soldier for any information at all? As a rule they did not rely on the soldier at all?—A. As to his eye-sight.

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Mr. Arthurs:

Q. They did not rely on the soldier at all, from my experience, except as to his age, his married condition and so forth?—A. As to his eye-sight.

Q. There would be a test for that.—A. I mean he was asked questions as to what he saw, what he read.

Q. He could deceive the examiner there. The test was somewhat difficult usually?—A. Yes. So far as any interpretation of the Act is concerned I can get that, unless I am in doubt. If I am in doubt I consult the Justice Department and in particular cases I have to get the premises from the medical branch as to what this or that or the other means.

The next recommendation is at the top of page 11, section 12, subsection 1, which reads as follows:

"A pension shall not be awarded when the death or disability of the member of the Forces was due to improper conduct as herein defined; provided that the Commission may, when the applicant is in a dependent condition, award such pension as it deems fit in the circumstances and provided also that the provision of this section shall not apply when the death of the member of the Forces concerned has occurred on service prior to the coming into force of the Pension Act."

A recommendation will be found on page 13, about the middle of the page. This is the recommendation.

"That Section 12 (1) be amended so that the prohibition there imposed shall only apply to improper conduct after enlistment; and

"2. That the discretion to award pensions should be exercised in case of dependency, even where the misconduct was on service."

I might explain, Mr. Chairman, that at the present time if a man contracts a venereal disease on service we give no pension with respect to disability. Giving any pension in respect of misconduct is a matter of discretion with the Board and where a man suffered from venereal disease prior to enlistment, provided he reached the theatre of war, the Board awards him a pension on discharge commensurate with his disability. Supposing a man enlists and he had prior to enlistment, venereal disease and reaches France and is discharged, we give him 50 per cent of the pension but we do not increase it.

By Mr. Clark:

Q. This 50 per cent of the disability would not be due to that disease prior to enlistment. That is 50 per cent disability due to something else?—A. Fifty per cent disability in respect of syphilis. If he is suffering 50 per cent we give it to him. If he is suffering 80 per cent we give him 80 per cent but if it goes on we do not increase the award. Under the recommendation, if the venereal disease is contracted prior to enlistment or contracted on service he would be pensioned but it would appear to me that with regard to the second recommendation that is a premium on immorality. If a man on service in France suffered from venereal disease he was not sent into the line. He was sent to the hospital and did not serve and if such a man on discharge is to be pensioned in respect of immorality it appears to me that is a premium on immorality.

By Mr. Humphrey:

Q. Do you not think with your interpretation you would have a pretty moral army with the interpretation that you have placed in that way placing a premium, you would have a very moral army? You would not take into consideration the other qualifications of the man regarding pensionable disability?—A. I did not quite get you.

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Q. I just want to bring out your taking into consideration the morals of the men. You do not take into consideration the service of that man, his service to the country as a soldier?—A. No man is pensioned for his service to the country.

Q. He is pensioned for his disability?—A. He is pensioned for his disability, yes.

By Mr. Shaw:

Q. Supposing, Colonel Thompson, that the man had venereal disease before he enlisted you would have no record of that except subsequently. Perhaps you might say that he wilfully concealed it. There was no aggravation on service or by service. Then is the man denied a pension?—A. Well, in the case that you cite he would be discharged without disability, I presume.

Q. In that case, in any event, even if there was aggravation, he would not be pensioned or would he?—A. Well, it depends. If a man was suffering from syphilis or gonorrhea and he never passed beyond England, we would give no pension to him on discharge. If the man enlisted and reached France the Board decided, in their discretion, that they would pension that man to the extent of his disability with regard to venereal disease on discharge. They would pension him to the extent that the war had damaged him.

By Mr. Arthurs:

Q. I would like to ask one question: You have stated that you would give disability in the case of a man who had venereal disease previous to enlistment and who was discharged with a disability of 50 per cent?—A. Up to 100 per cent provided he reached France.

Q. In that case was it wilfully concealed? That was one of the questions asked on the man's entry into the forces, was he or had he been suffering from syphilis or gonorrhea.—A. He might or might not. I do not know. I cannot say offhand at all.

Q. Is there any justification for granting a pension to this man who had wilfully concealed the fact that he was suffering from this disease before enlistment and refusing pension to a man if he does not disclose the fact that he had, at one time or another, pneumonia?—A. That is largely a medical question.

Q. I do not want it from a medical attitude.—A. It is the basis of the decision and what I am told. I am speaking with a certain amount of diffidence and I think I am safe in saying if the man had syphilis he might very readily believe he was cured of it and had been cured of it for some considerable time.

Q. Would not that apply the same in pneumonia?—A. I should think not.

Q. A man might have had pneumonia in his early childhood and be perfectly cured.—A. I doubt that. I think there might be the damaged lungs there which might light up at any time.

Q. Personally I cannot see any distinction between the two classes of cases.—A. If he had had pneumonia—I speak with a certain amount of diffidence—I think there would be no question about it.

Q. But he might not be aware that he had a damaged lung any more than a man who had at one time suffered from syphilis, who still had the germs of syphilis in his system.—A. I should think there would be a vast difference between the man who had suffered from pneumonia and the man who had suffered from syphilis. Pneumonia is a very common disease, commonly discussed, talked about, one case not infrequently compared with another. A man might think he had no damage from syphilis, which has always been a matter which is very rarely discussed in public.

By Mr. Speakman:

Q. There is one question I would like to ask you. It is a matter which was brought to my attention by some medical men at home. Is the fact that

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a man is suffering from syphilis or any venereal disease taken as *prima facie* evidence that he has been guilty of any immoral conduct.—A. Yes.

Q. I was asking whether in every case the fact that men are suffering from some venereal disease was taken as *prima facie* evidence that they had been guilty of immoral conduct?—A. In the vast majority of cases. I only know of one case where there might be some doubt as to whether it was due to personal immorality.

Q. Some medical men discussed it with me and expressed a doubt. They said it was frequently contracted, in their opinion, through contact and also through infected surroundings, that it could be contracted without personal immorality, but I was just asking as a general rule whether the presence of syphilis or venereal disease was taken as evidence of immoral conduct.—A. Yes.

(Discussion followed.)

The WITNESS: The next section is No. 12, on page 13, subsection 2. This is what they call a "compassionate clause", which was passed at the last session of Parliament. It was made part of section 12, which I have already read, and reads as follows:

"Section 12 (2).—Any individual case which, in the opinion of the majority of the members of the Pension Board and the Appeal Board acting jointly, appears to be especially meritorious and for which in said opinion no provision has been made in this Act, because such case did not form part of any class of case, may be made the subject of an investigation and adjudication by way of compassionate pension or allowance irrespective of any schedule to this Act."

That amendment was considered by the Board of Pension Commissioners and the Federal Appeal Board in joint session, and both Mr. Reilly and myself, the two members of the legal profession on the joint Boards, were firmly of the opinion that this amendment forming part of the Misconduct Clause, as it did, did not affect any class of cases, because all classes in regard to misconduct had already been dealt with. Of course, that is a matter of interpretation of the statute. The classes of misconduct were already covered by Section 12. An amendment was made thereto stating that where any class of cases was not provided for, the two Boards in joint session might give a pension. As a matter of fact all classes of cases had been provided for. It was a point made by General Clark, as a matter of fact, in the House of Commons last year, that this amendment did not affect any cases, and that is the conclusion we came to. Now we come to the recommendation on page 15.

By Mr. Shaw:

Q. You say it did not affect any cases?—A. None at all.

Q. So as it stands, the section is wholly inoperative?—A. Wholly so. You see, the recommendation made by Mr. Reilly and myself at page 14. Then, we come to the recommendation of the Royal Commission, at the foot of page 15.

"Recommendation of Commission re Section 12 (2). That any provision deemed necessary for permitting the grant of a compassionate pension or allowance in an individual case of exceptional merit and hardship be made by way of an entirely independent and substantive section, the constitution of the body empowered to make such grant to be as in Section 12 (2). The maximum amount of such grant to be fixed and the necessary procedure to be laid down."

What is suggested is that that amendment which was passed last year and attached to section 12 should be taken out of section 12 and made an independent section, either worded as it is at present, or differently. But while it is attached

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to section 12 it is inoperative. We had no disagreement on that, I may say. I would like to call the attention of the committee to the amendment. I will read it again:

"Section 12 (2).—Any individual case which, in the opinion of the majority of the members of the Pension Board and the Appeal Board acting jointly, appears to be especially meritorious and for which in said opinion no provision has been made in this Act, because such case did not form part of any class of case, may be made the subject of an investigation and adjudication by way of compassionate pension or allowance irrespective of any schedule to this Act".

With regard to any cases which were brought to the notice of the Pension Board, my information is that none of them would come within that wording. I think I ought to enlighten the committee on that. That is my own opinion on it, and so far as any applications were made to the Federal Appeal Board, and which the Federal Appeal Board brought to the notice of the Board of Pension Commissioners, in my opinion none of these cases came within the wording of this section. There were innumerable applications made. I did not see them all, because they did not all come to the Pension Board, but Mr. Reilly drew what he called type cases, and in my opinion none of them came within this wording. If it is the desire of the committee that these cases should have attention, then I suggest that this section be reworded, because I think we cannot grant any pensions to any of the cases I saw on file on the wording of the section as it now stands. I thought I ought to make that clear to the committee.

By the Chairman:

Q. Is it on account of the words, "no provision has been made in this Act"?—A. Yes. My opinion was that the wording of the statute as it now stands would meet quite a number of cases which are not provided for with regard to pensions, where pensions should be granted in order to do the fair thing by the man who was killed. I think this wording of the statute will cover a large number of such cases, or rather not a large number, but quite a number of such cases, but none of these people, so far as I know at the present moment, have made any application for pension. The wording as it now stands will not cover any one of the flood of cases in respect to which application has been made.

By Mr. Shaw:

Q. What is the suggestion, that something be added to it?—A. The drafting of a statute as you realize, Mr. Shaw, is a highly technical thing, and I would not presume for a moment off-hand now to give a wording which I would suggest to the committee to cover any of the cases on file.

Q. That is the point, the part of the section you refer to, "no provision has been made in this Act"?—A. That is just the point. Provision has been made under the statute for almost all sorts of cases, and these cases which are on file now, either before our Board or before the Federal Appeal Board—and I will get a synopsis of them before the committee—all these cases are either already legislated for, or there is legislation either in favour or against that class of case, and none of them come within the wording of this section.

By Mr. Clark:

Q. We must make a subsequent section of it?—A. No question about it.

Q. That is the first thing, and secondly, we should have a section along these lines, "...or any individual case which appears to be specially meritorious and which is not pensionable under the other provisions of this Act..."; something along that line, which may be dealt with say by a majority of the

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Board.—A. You see the point I make? If there is legislation against a type of case, this wording as it now stands will include that, even if you make an independent section of it.

Q. I say first make an independent section, and then a provision somewhat along these lines, "...any individual case which in the opinion of a majority of the two Boards is specially meritorious and which is not pensionable under any other provision of this Act, pension may be awarded by a majority of the members of the Pension Board and the Appeal Board sitting jointly..."; something along that line would cover it.—A. Undoubtedly it could be drafted. I just wish to make it clear that if the present amendment is simply taken out of section 12 and made an independent section, it will not affect any, will not give a pension to any of the flood of cases now in file, but it will give a pension to some very worthy cases, in respect of which I think no application has been filed.

Q. May I suggest that Colonel Thompson take this wording under consideration and give us his opinion at the next meeting of the Committee? "Any individual case which, in the opinion of the majority of the members of the Pension Board and the Appeal Board acting jointly, appears to be especially meritorious and which is not pensionable under any other provision of this Act, may be made the subject of investigation and adjudication by way of a compassionate pension or allowance, irrespective of any schedule to this Act". May I ask that that be taken under consideration and an opinion given on it at a future meeting of the Committee? As far as I am concerned, I am very anxious to see such a provision put into this Act, to cover cases which are not provided for or rather which are not pensionable under the Act as it now stands.—A. Might I suggest, Mr. Chairman, that this section be referred to the Justice Department for drafting? I would say right offhand that General Clark's wording would not meet the case.

By Mr. Shaw:

Q. Let me make a suggestion, then. Let it read this way, "Any individual case which, in the opinion of the majority of the members of the Pension Board and the Appeal Board acting jointly, appears to be especially meritorious and for which in said opinion no provision has been made in this Act, or no adequate or sufficient provision has been made in this Act..."—A. That will not meet it either, in my opinion.

Q. You do not know the class of cases we are referring to. I think it would be well to let us have the memorandum you are referring to.—A. The class of cases I have in mind are covered by that.

Q. I do not want to disturb them.—A. I do not think you will, either. I see what you want to legislate for, and what General Clark wants, and I can see, having gone into this question very thoroughly with Mr. Reilly, that neither of your wordings will meet the cases which you want to provide for.

Q. I want to leave the section as it is, so as to meet the class of cases you say it will meet. I also want to provide for some other classes of cases, the nature of which I do not know at the present time, and perhaps if we had the memorandum you referred to, we could judge as to whether or not we want to make any provision for the cases concerned.

By Mr. Arthurs:

Q. These are the classes of cases we intended to legislate for last year.—A. I do not know what class of cases it was intended to refer to. I know how it was suggested, and I know who suggested the amendment, and I know it was suggested to meet a particular case, and that particular case could not be

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brought in under any amendment that you could possibly make, I think, because the man never served in the Canadian forces.

Q. I have in mind one particular case which we thought would be covered by this legislation.—A. It was originated in the Senate to meet a particular case, and the case which it was meant to meet could not be affected by it, because the man had never served in the Canadian forces.

By Mr. Clark

Q. I have no particular case in mind in that suggestion I have just made, although I know of particular cases. What I want to see is a section which is sufficiently wide to embrace all possible cases that are meritorious. I recognized and realized, as soon as this was submitted to the House of Commons last year, that it would not embrace—in fact I was of the opinion at that time that there could be no particular cases that could be given pensions under it, and that has turned out to be the fact. Now, I think we have had a year's experience, and surely we can get a section drafted which will be sufficiently wide in its language to cover all meritorious cases.—A. There is no question about it.

Q. And I think the suggestion which you made is very helpful for us to submit it to the Justice Department and get their opinion.

The CHAIRMAN: You and Mr. Shaw might draft a section; you are the legal members of the committee.

Mr. CLARK: I do not want to take that responsibility. I think it is most unfair to put any responsibility of that sort on any member of the committee. Let the Justice Department draft it, and then there can be very little doubt about the effect of the section in the future and its interpretation. If Mr. Shaw and I, for instance, drafted the section, we might interpret it one way, and every other lawyer might interpret it in another way. Therefore, I say let us put the responsibility where the responsibility belongs.

The WITNESS: The reason I emphasize this point is because if this section as it now is worded is made an independent section it will cover a number of really meritorious cases which I have in view, but it will not meet General Clark's cases.

By Mr. Humphrey:

Q. As it is now worded?—A. As it is now worded it will not meet General Clark's cases. It is a nice legal point, and perhaps it would be idle to discuss it with the committee.

The CHAIRMAN: Now, gentlemen, it is time to adjourn. There is a caucus to-morrow, so we will meet again Wednesday morning.

The witness retired.

The committee adjourned.

COMMITTEE ROOM 436,

HOUSE OF COMMONS,

WEDNESDAY, June 11, 1924.

The Special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers, met at 11 o'clock a.m., the Chairman, Mr. Jean J. Denis, presiding.

COLONEL JOHN THOMPSON recalled.

The CHAIRMAN: Gentlemen, we will proceed with Colonel Thompson's evidence.

WITNESS: The next recommendation or section referred to is at the top of page 16, section 13, of the Statute:

"Limitation of time for Application.

Section 13.—A pension shall not be awarded unless an application therefor has been made within three years, (a) after the date of the death in respect of which pension is claimed; or (b) after the date upon which the applicant has fallen into a dependent condition; or (c) after the date upon which the applicant was retired or discharged from the forces...or (d) after the declaration of peace. Provided that the provision of subsection (d) as above shall not apply to an applicant claiming dependent's pension who was not resident in Canada at the date of the soldier's death and has not continuously resided therein."

The recommendation with regard to that section is at the bottom of page 16 headed:

"Recommendation of Commission.

That section 13 be amended to provide that where there is an entry on the service or medical documents of the ex-service men by, or in respect of, whom pension is claimed, showing the death, or the existence of an injury or disease which has contributed to the disability or death, in respect of which pension is claimed, such entry shall be considered an application as of the date thereof for pension in respect of such disability or death."

I might say that is the practice at the present time. The Commission considers as you will see just two lines above that, the recommendation that way, of treating an entry on the document as an application of sufficient importance to warrant its inclusion in the statute.

By Mr. Arthurs:

Q. You agree with that?—A. That is the practice at the present time. I have no objection.

By Mr. Humphrey:

Q. May I ask what would be the objection to have the section changed so that it would allow for applications to be admitted as long as the disability could be shown, not having any time limit? As long as a man could show that

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he had disability should not his application be allowed?—A. The idea of the section was to prevent fictitious claims being made years after discharge, of which there was no record whatsoever on service and no continuity of illness shown with regard to anything on service. It is to prevent trumped up claims being brought perhaps ten or fifteen years after discharge.

By Mr. Chisholm:

Q. Supposing a bona fide case appears after three years, say four years, where you could connect by a continuous link of circumstances the righteousness of the case, would it not be a cruel thing to deprive that person by limitation?—A. I have not read the observations of the committee. I am only giving the statute and the amendment and the effect of the amendment. Mr. Paton calls my attention to one provision there in the recommendation, that is an entry on the document, showing that the death was due to service. I ought to advise the Committee with regard to that, that such an amendment, drawn exactly in those terms, will include a large number of dependents who are not now eligible for pension and who were considered by two previous Committees and whose claims were not maintained. I refer to the dependents of Polish, Serbian, Roumanian, Lettish and Russian soldiers. The Statute is that if they do not apply within a certain period they shall not be entitled to pension. Technically I presume that the words, "showing the death," as referred to in the suggested amendment would not be an entry on some deceased soldiers' documents, and that would give any time at all, an indefinite time for such dependents to apply. At the present time there are quite a large number of cases, Russians principally, who are not entitled to pension because they have not made application in the time specified.

By Mr. Caldwell:

Q. Are those Russians residents of Canada?—A. No, they are not residents of Canada; so I offer that for the consideration of the Committee, as to whether the words "showing the death" should be eliminated or not. The next section dealt with is on page 17.

"Pensions suspended on imprisonment:

When a pensioner has been sentenced to imprisonment for a period of six months or more the payment of his pension shall be discontinued and no pension shall be paid to him for or in respect of the period of his imprisonment: provided, however, that the Commission shall have discretion to pay the pension or part of it to any person who was being or was entitled to be supported by the pensioner at the time of his arrest. Upon the pensioner's release from imprisonment payment of his pension shall be reconsidered as from the date of his release and in accordance with the extent of his disability then shown to exist, or in the case of a pensioner pensioned on account of the death of a member of the forces in accordance with the rates set out in schedule B of this Act."

The recommendation regarding that section will be found on page 18, towards the bottom. It reads as follows:

"Recommendation of Commission:

That Section 17 be amended to provide that where in the opinion of the Pensions Board it appears that it is of exceptional benefit or advantage to the pensioner, the Board may in its discretion pay the pension or part thereof to or for the pensioner himself."

I might say the practice of the Board is that if a man is sent to prison for a period of six months or more, if he has a wife and children, we pay the whole

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of the pension to them. If he has to support a father or a mother then we pay a proportionate part of the pension to the father or mother, as the case may be. If he has no dependents we do not pay any pension at all. We have had a number of applications where a man has had no dependents for the pension to be paid out to the applicant. I think I am quite accurate in stating that these cases are the cases of lawyers for the man who is in prison, wanting to get his pension.

By Mr. Humphrey:

Q. As the law stands now a man who does not have any dependents and who is sentenced to six months or over imprisonment, his pension is stopped and then continued upon his release?—A. As soon as he comes out of prison he is re-examined at once and his pension continued.

Q. That money is not held in trust for him in any way?—A. No, his pension is suspended.

Q. He is doubly fined, in a way. The country keeps the money from him too.

By Mr. Chisholm:

Q. The country keeps him while he is in prison?—A. Yes, under six months the pension goes on. If it is a serious offence the pension is stopped by statute.

By Mr. Caldwell:

Q. But his dependents are taken care of?—A. His dependents are taken care of under the present arrangement. That is our practice.

By Mr. Humphrey:

Q. In the case of a man put into a mental institution does that apply or is it provided for otherwise?—A. That is otherwise provided for. As far as I can say the only case that would come under my notice is where lawyers are asking for money.

The next recommendation is recommendation 6.

Section 23 (2), in respect of a child maintained by member of the Forces.

"No pension shall be paid to or in respect of a child unless such child was acknowledged and maintained by a member of the Forces in respect of whom a pension is claimed at the time of the appearance of the injury or disease which caused the disability for which he is pensioned or which resulted in his death; provided, however, that a legitimate child born subsequent to the appearance of the injury or disease shall be entitled to a pension. Provided also that the Commission may, in its discretion award a pension to or in respect of any child entitled in the opinion of the Commission to be maintained by the member of the Forces in respect of whom pension is claimed."

The recommendation with regard to that is on page 19, about the middle of the page. The recommendation reads:

"Note—on the assumption that 'maintained' is construed in practice to mean 'maintained to a substantial extent,' and that the discretion is freely exercised in cases where the child was 'entitled to be maintained.'"

The next recommendation is recommendation 6 and it refers to Section D (4).

"Increase of children's pension to orphan rate: When a child has been given in adoption or has been removed from the person caring for it, by a competent authority, and placed in a suitable foster home, or is not being maintained by and does not form part of the family cared for by the member of the Forces or the person who is pensioned as the

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widow, divorced wife or parent of the member of the Forces or by the woman awarded a pension under subsection three of section thirty-three of this Act, the pension for such child may, in accordance with the circumstances, and in the discretion of the Commission, be continued or discontinued or retained for such child for such period as the Commission may determine, or increased up to an amount not exceeding the rate payable for orphan children. Any such award shall be subject to review at any time."

The recommendation is at page 20 and reads:

"None."

The next recommendation is recommendation 8 on page 20 and deals with section 23 (5) and section 33 (2). It refers to pension to dependents of pensioners in respect of 80 per cent pension or over, who died from other causes within five years after discharge or commencement of pension. Section 23 (5) reads.

"The children of a pensioner who was pensioned in any of classes one to five mentioned in schedule 'a' and who has died, shall be entitled to a pension as if he had died on service, whether his death was attributable to his service or not, provided that the death occurs within five years after the date of the commencement of pension."

Section 33 (2) reads:

"Subject to paragraph 1 of this section, the widow of a pensioner who, previous to his death, was pensioned for disability in any of the classes one to five mentioned in schedule 'A' shall be entitled to a pension as if he had died on service whether his death was attributable to his service or not, provided that the death occurs within five years after the date of retirement or discharge or the date of commencement of pension."

"That section 23 (5) and 33 (2) be amended to by removing the time limit and by providing that the benefits of the section are only to be extended to children or widows who are in a dependent condition."

By Mr. Humphrey:

Q. Would that recommendation remove the time limit of five years?—A. Yes, that is the change suggested.

By Mr. Clark:

Q. I am just interested in knowing whether there was the case of a man named Pierre MacPhail who died a little over the five years. There was some medical question arose in that case that might have made it possible to award the pension. Do you know offhand whether a pension was awarded?—A. I do not recall the case. Was that the case of a man who lost an eye on service and was taken prisoner? I think he died of nephritis. I think the suggestion was that the eye trouble might have caused the nephritis. It was a Vancouver case.

Q. It is a Brandon case.—A. I do not remember what it was but I just remember the circumstances. My recollection is that the man was pensioned in class 80 per cent; 80 per cent or over. Might I ask had he some other disability but the eye.

Q. I do not remember.—A. My recollection is that that man died about six months after the five year period had elapsed. He would be included in that case by this amendment. The dependents would be entitled to pension.

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By Mr. Caldwell:

Q. With regard to this recommendation what is the practice now regarding children and widows in a dependent condition, do they get the pension whether they are in dependent condition or not?—A. Yes. If a man dies within five years I would say that they would be practically all cases of pension, where the man died in classes 1 to 5 because in the vast majority of cases the children are dependent. They are not maintained within the meaning of the Statute.

Q. The wages, earnings in this case would not be counted, what the widow would earn by way of salary?—A. I do not know.

Q. Is not there a section of the Act that says that shall not be counted as income?—A. In certain cases. That will be referred to later on.

Q. I think that would refer to this case.—A. I think so offhand.

Q. Unless she had something or an independent income she would be considered in a dependent condition?—A. Yes, if she depended on her earnings.

Q. If she depended on her earnings she would be considered a dependent?—A. That would be my offhand opinion.

By the Chairman:

Q. Are you expressing any opinion as to the effect of this recommendation on page 32?—A. The effect of this amendment might extend the time limit. That is all and to make it also conditional upon the dependents being in a dependent condition.

By Mr. Caldwell:

Q. Your opinion is that most of these widows and orphans are in a dependent condition any way. It would not change the Act with regard to that very much in that respect?—A. I should not think so. I did not come prepared to express a legal opinion on the suggested amendment but to tell you what the effect was.

By Mr. Clark:

Q. If a man dies after the five year period has elapsed, from any disease whatsoever, not connected with service, providing he has a disability of 80 per cent or over due to service, his dependents would receive a pension?—A. His dependents would receive the pension if they are in a dependent condition according to the suggestion.

Q. Irrespective of the disease?—A. Absolutely, yes.

By Mr. Caldwell:

Q. The fact is this: A man that is disabled to the extent of 80 per cent has his vitality pretty well lowered. It is pretty fair to assume that the disability is attributable to the lowered vitality?—A. There are many people like that, who would be killed in a railway accident or an explosion.

Q. How many 80 per cent disability cases have you?—A. In classes 1 to 5?

Q. Yes.—A. The large majority, I think, are tubercular cases.

The WITNESS: You will find information on that in the last report of the Board of Pension Commissioners for the year ending March 31st, 1923. Up to a year ago those in Class 1 were 2,381; in Class 2, 15; in Class 3, 197; in Class 4, 94; in Class 5, 819, about 3,500 altogether, I presume. That has changed since then, but I can give you the information up to date if you want it.

By Mr. Humphrey:

Q. Just what is the policy of the Board of Pension Commissioners under this clause in deciding whether they are in a dependent condition or not?—A. I have not considered it. That is something new.

Q. I know this is the recommendation, but do you have any clause under the Pension Act that this provision is in, where it states, "who are in a dependent condition"?—A. Yes; you will find that referred to later on by the Commission. That is one of the recommendations.

By Mr. Caldwell:

Q. In the Pension Act as it now stands I think there is a definition that widows' earning shall not be counted as earnings up to a certain amount?—A. Oh, widows' earnings are never considered under the Pensions Act. If a man dies of tuberculosis, she gets a pension whether she earns one million dollars a year or nothing. That applies to widowed mothers, the provision you are thinking of, that widowed mothers' earnings are not taken into consideration, mothers who were dependent or substantially dependent upon the son at the time of his death. She has a house and \$240 a year; she can go and earn as much money as she likes and still have her pension. That is the case of the dependent mothers. These prospective dependents are treated in a different sort of way, and these are the cases about which the Royal Commission has made recommendations.

Q. Would it be fair to suppose that this class would come under practically the same regulation?—A. I have not considered that.

Q. Would it be fair to suppose that it would?—A. I will consider it and let you know at the next meeting.

Q. I should think it would be fair to suppose that.—A. I would not make any statement until I had consulted the other members of the Board. It has not occurred to me until just this moment.

Q. I would think that would be one of the main features.

By Mr. Humphrey:

Q. Supposing the last part of the recommendation was cut right off. It would not have any effect upon the principle of the recommendation?—A. No. You are quite right, it would have no effect on the principle. It would simply limit the cases.

Q. That is, supposing you eliminated, "who are in a dependent condition"?—A. It does not affect the principle; it simply extends the number who would be in receipt of pension. It does not alter the principle at all. The next recommendation is recommendation No. 9 on page 22, referring to section 31, subsection 3:

"Payments to ex-soldier who is maintaining parents.

'Section 31 (3)—When a member of the Forces, previous to his enlistment or during his service, was maintaining, or was substantially assisting in maintaining one or both of his parents, an amount not exceeding one hundred and eighty dollars per annum may be paid to him for each of such parents as long as he continues such maintenance.'"

The recommendation is at page 23, about the middle of the page, and reads as follows:

"That Section 31 (3) be amended in the following respects: (a) Limited to pensioners; (b) Limited to cases where the parents are or would be if the son did not contribute, in a dependent condition; (c)

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Parents' allowance not to be withheld on account of the son being unable, by reason of circumstances beyond his control, to contribute towards his parents' maintenance."

By Mr. Arthurs:

Q. Just there, Mr. Thompson, what is the practice now regarding a case where a son was killed overseas, and his father and mother were both living, and subsequently the father dies and the mother becomes unable to support herself? Is there any provision in the Pension Act to cover a case of that kind?—A. Yes, that is dealt with.

Q. It is not included in this class of cases?—A. No. For instance, a man on service makes some contributions towards his parents' support, and when he comes back they are in rather poor circumstances, and he still contributes towards their support. If he is a 50 per cent disability pensioner, while he contributes to his parents, he gets an allowance in proportion to his disability. If he has a small disability he gets a small allowance, and the same is true in regard to the children. The amendment suggested here is to warrant the payment of an allowance to those dependent parents whether the man is contributing or whether he is not.

By Mr. Caldwell:

Q. I do not think that is quite correct. "Through circumstances over which he has no control"?—A. At the present time, if a man is out of employment and is not contributing, there is nothing paid to the parents under the statute. Where there are actual contributions made—

Q. Under the present practice, supposing he is sick not by reason of his war service, and is not able to contribute to his parents' support. His pension is cut off.—A. Yes. It is not a question of practice, it is what the statute says.

Q. But I imagine this is to cover cases of that kind, where a man would not be able to get employment, or through illness not connected with his service would not be able to engage in employment, and therefore could not contribute to his parents' support, and his pension is cut off. It is to cover cases like that?—A. That is the idea. You will find that discussed in the report; I am just giving you the effect of it. The next recommendation is No. 10, on page 23, dealing with section 33, subsection 1.

Q. Mr. Thompson, as you go along you are not expressing an opinion on these things. Possibly the Committee would like to have your opinion on the effect of these recommendations.—A. I have stated the effect of it, namely, that so far as the parents are concerned, where a man is not contributing on account of illness or circumstances beyond his control, there will be a continuation of their allowance.

Q. But so far as your own opinion goes, you are not giving any?—A. None whatever; it is simply a question of finances entirely.

Q. I think the Committee would like to have it.—A. If there is any change in principle I will so inform the Committee.

Q. I think possibly one of the things the Committee would like to have is what this would mean financially, those different amendments. Would you be prepared to give us that later?—A. I am going to put in a financial statement at the end of my evidence, so the Committee will have all that information in one or two pages. The next recommendation is No. 10, on page 23, referring to section 33, subsection 1, "Refusal of pension to widow in cases

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where the marriage was after the appearance of the injury or disease resulting in death." It reads as follows:

"Section 33 (1).—No pension shall be paid to the widow of a member of the Forces unless she was married to him before the appearance of the injury or disease which resulted in his death"

The recommendation is on page 31, and is as follows:

"Recommendation of Commission. Section 33 (1).

That Section 33 be amended to the following effect:

(a) By striking out the words "unless she was married to him before the appearance of the injury or disease which resulted in his death" in subsection (1), and substituting therefor some phrase in the following sense, viz: "if her marriage to him took place at a time when symptoms existed from which a reasonably prudent man making reasonable enquiries would have known of the existence and the potential seriousness of the injury or disease which ultimately resulted in death, provided, however, that it shall be conclusively presumed that such symptoms did not exist if at time of the marriage an injury or disease previously known was so improved as to have removed any resultant pensionable disability (b) By inserting a provision that the foregoing prohibition shall not apply when the marriage took place prior to a date one year after the discharge of the member of the Forces if (a) there are children of the marriage of pensionable age, or (b) the widow is in a dependent condition."

Q. That would mean that if the widow were in a dependent condition she would get a pension, notwithstanding the fact that the injury or disability did appear when she married the man, does it not? What if there are children of the marriage of a pensionable age; both the widow and children would get a pension although the disability was apparent when the marriage took place?—A. Yes, they will get it anyway.

By Mr. Spcakman:

Q. If the marriage took place within one year?—A. Yes; they will get it if they were married within the year; it does not matter how serious it was.

By Mr. Caldwell:

Q. I do not understand that, unless the widow or the children are in a dependent condition. The widow would not get it if it were apparent when she married him, unless he was apparently recovering from it. I would like you to look into this recommendation. You see here, "(b) By inserting a provision that the foregoing prohibition shall not apply when the marriage took place prior to a date one year after the discharge of the member of the forces if (a) there are children of the marriage of pensionable age, or (b) the widow is in a dependent condition."—A. If you will turn back to the original section, it says, "No pension shall be paid to the widow" and this amendment suggests that this prohibition shall not apply.

Q. But that section is cut out entirely in the recommendation.—A. No, it is not cut out, it is amended.

Q. Well, this part is cut out.—A. The part I am referring to now, in regard to the prohibition, says that no pension shall be paid, and that is the prohibition that is referred to in paragraph B of the suggested amendment.

Q. I do not take it that way, because in this section 33-1 it says, "No pension shall be paid to the widow of a member of the Forces unless she was

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married to him before the appearance of the injury or disease which resulted in his death."

Mr. ARTHURS: That is struck out by this recommendation.

The WITNESS: That means, as I understand it, if a woman marries a man after discharge and he is in a very serious condition indeed, if she marries him within one year she is going to get a pension when he dies?

By Mr. Caldwell:

Q. If she is in a dependent condition, or has children?—A. Yes.

Q. But if she is not in a dependent condition, and has no children, even if she married him within a year she does not get a pension?—A. No. My conclusion would be, after reading that, that practically all widows whose husbands died of a war disability will be pensioned. That would be my conclusion.

By Mr. Clark:

Q. Because the great majority of them are in a dependent condition?—A. Because they married after the appearance of a disability, and it is impossible to say—it will be impossible to say as to whether the marriage was a prudent one or not. I could not undertake to say that, and I do not think any Board could. I should think the result of that would be that persons not born, and who will not be born for 20 and 30 years yet, will be pensioned as widows of members of the Forces of this war. In 20 years from now a child will be born, and that child, in the course of the years, will marry a member of the Forces with some sort of heart disability.

Q. They do not get a pension unless they are married within one year?—A. That does not affect it at all. Sixty years from now a member of the Forces will marry a child born twenty years from now, and he will die and she will get his pension. If I might illustrate, take a young fellow now of 20 who has a heart affection due to service. He goes along with that for 20 years. Twenty years from now a child is born. 35 years from now, that is when the ex-service man is around 65 years of age and has been suffering ever since discharge from heart trouble, and drawing pension, he will marry that child 35 years hence, the child being born 20 years hence. He goes on another 10 years and dies, and that widow will get the pension.

By Mr. Chisholm:

Q. That is following the United States law?—A. Just following that.

By Mr. Arthurs:

Q. That would not be true if you struck out Section A, leaving only section B and limiting it to just one year.

By Mr. Humphrey:

Q. Do you not think that is a rather isolated case you cited?—A. Of course there are thousands of cases of men who have a disability.

Mr. CLARK: How many unmarried pensioners are there to-day? It might happen in the case of every unmarried pensioner, there is undoubtedly the possibility that they will marry.

By Mr. Arthurs:

Q. Would that have any effect on Section 5 at all?—A. That does not affect the principle in any way. As I was telling you, that simply gives the woman an indefeasible right, irrespective of the condition of the man's health when she married him. The proposed amendment is this, and here is the effect of it. If she marries a man with a disability—and a very serious disability—within

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one year, and he dies, she is going to get a pension if there are children, or if there are no children, if she is in a dependent condition. If she marries after the expiration of one year after his discharge—

Q. And the disability is not apparent at that time?—A. If it is not serious—

Q. "Provided, however, that it shall be conclusively presumed that such symptoms did not exist if at time of the marriage an injury or disease previously known was so improved as to have removed any resultant pensionable disability". That is, he was not getting any pension.—A. That does not affect the section.

Q. It is a part of the clause, and he must have proved that he had no pensionable disability at the time he married?—A. Oh no.

Q. Then I do not understand English. Just explain what that means, then.—A. It is all a matter of proof. If the woman files her claim and says "I made a reasonably prudent marriage when I married this man," that is a hard case. Then it is up to her to prove that it was a reasonable one, or it is for the Board to show that it was not a reasonably prudent marriage. But if he is not being pensioned for this, or has been cured, comparatively speaking, and there are no symptoms, according to that proviso it shall be considered that it was a prudent marriage.

Q. I think that is reasonable.—A. I am not expressing an opinion as to whether it is or not. It is simply a question of proof one way or another.

Q. Then this other proviso comes in; he cannot get a pension unless he applies within three years after his discharge?—A. That is not the point at issue here.

Q. No, it is not, but I am considering it in this connection.—A. I do not see how it can be considered in connection with this. The point here is whether she marries him within one year, and I do not see the connection between the two clauses.

Mr. CLARK: Under this clause we are now considering, would the man have to die as a direct result of the disability incurred in service?

Mr. CALDWELL: Certainly. If he did not die from a war disability, his widow is not entitled to a pension anyway.

The WITNESS: Oh yes, she is. For instance, this man I am speaking of now a young man of 18 or 20 years of age, discharged from the Forces; 35 years hence he marries a girl who is going to be born 20 years hence, and he goes along with his heart condition gradually developing, and when he gets 80 years of age he goes from class 80 to class 100. Then he is killed in a railway accident, and his widow would be entitled to a pension.

Q. If he is an 80 per cent disability?—A. Yes.

Q. Then here comes this other clause. If he were getting no pension at the time she marries him 35 years hence, then she could not get a pension.—A. But that is not what the proviso applies to. It applies to a man who has been a pensioner, who has shown symptoms of a disability who has been on a pension, and whose disability has been reduced.

Q. But you are stating the case of a man who may marry 35 years hence. If he marries 35 years hence, he must be in such a condition that he is not pensioned when he is married, so she has no claim anyway under the first part of this recommendation.—A. If the man has been discharged for 35 years and has not been on pension, she would get no pension of course.

Q. Then, if this man has a pensionable disability when she marries him and is drawing a good pension, she will get it anyway?—A. Yes.

Q. If her marriage to him took place at the time when symptoms existed from which a reasonably prudent man making reasonable enquiries would have

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known of the existence and the potential seriousness of the injury or disease which ultimately resulted in death. If, 35 years from now, he is getting pension, it is apparent that he has this disability, and if he is not getting a pension 35 years from now he has no chance of being pensioned after that, because of the three year limit in which he must apply for a pension. So your illustration would not apply there.—A. Not in the case of a man who has never been on pension, but my illustration does apply to a man who is a 10 per cent or a 15 per cent disability for a heart condition, for 35 years. I think that man might say, "My disability has been stationary for 35 years; I think it is a prudent thing to marry".

Q. What would be his chance of getting an increase in pension after his pension had been stationary for 35 years?—A. I do not suggest that his pension remain stationary for 35 years. I would hardly think it would, but it would gradually go up. Even supposing it was a 60 per cent heart case, and had been stationary for many years—

Q. If it were a 60 per cent heart case, it would be apparent that he was in a pretty serious condition when she married him?—A. I do not know about that; I think a woman might reasonably say, "My husband has been a 60 per cent heart disability for 30 years, and I think it is a prudent thing for him to marry me, because I do not think he is going to die from that."

Q. I think she would have difficulty in proving her claim.—A. I doubt it. My impression is that in all cases where a man dies of disability traceable to the war, his widow will be pensioned under that.

By Mr. Clark:

Q. What was the amendment passed by the House of Commons last year to that section?—A. My impression is that it only included B. I am informed that it was limited to those who married within one year after discharge. The next recommendation is No. 11, in the middle of page 31, referring to Section 33, subsection 2, and section 23, subsection 5. It reads as follows:

"Pension to dependents of pensioners in receipt of 80 per cent pension or over who died from other causes within five years after discharge or commencement of pension.

Section 33 (2)—Subject to paragraph one of this Section, the widow of a pensioner who, previous to his death, was pensioned for disability in any of the classes 1 to 5 mentioned in Schedule A shall be entitled to a pension as if he had died on service whether his death was attributable to his service or not, provided that the death occurs within five years after the date of retirement or discharge or the date of commencement of pension."

Section 23 (5)—The children of a pensioner who was pensioned in any of Classes 1 to 5 mentioned in Schedule A and who has died, shall be entitled to a pension as if he had died on service whether his death was attributable to his service or not, provided that the death occurs within five years after the date of retirement or discharge or the date of the commencement of pension."

The recommendation of the Commission will be found if you turn back to page 22. That was already discussed and a recommendation was made when discussing Section 23, subsection 5 of the statute. The recommendation was, briefly, that the time limit should be extended indefinitely, provided the widow was in a dependent condition.

The next recommendation is No. 12, at the foot of page 31, and deals with Section 33, subsection 2.

[Colonel Thompson.]

“Widows of Disability Pensioners—Death not connected with service
—Continuing pension

Suggestion by Ex-Service Men

That in case of the death of an ex-service man, receiving less than 80 per cent pension for a disability whose death is not connected with service, the pension be continued to the widow if she is in need.”

There is no recommendation on this by the Board.

By Mr. Humphrey:

Q. Have you many cases coming up of this kind?—A. Yes, a great many. That is, where a man receiving less than 80 per cent died of causes other than those attributable to service. Yes, we have a great many of those.

Q. Death from causes not related to his service?—A. Yes, a great many. The next recommendation is No. 13, at the foot of page 32, which deals with Sections 34-1, 34-3, -4-5-7. It reads as follows:

“Pensions to widowed mothers prospectively dependent—Deductions for earnings and income.

Section 34 (1). A parent or any person in the place of a parent with respect of a member of the forces who has died shall be entitled to a pension, when such member of the forces left no child, widow or divorced wife who is entitled to a pension.....and when such parent or person is in a dependent condition and was, at the time of the death of such member of the forces, wholly or to a substantial extent, maintained by him.

Section 34 (3). When a parent or person in the place of a parent who was not wholly or to a substantial extent maintained by the member of the forces at the time of his death, subsequently falls into a dependent condition, such parent or person may be awarded a pension provided he or she is incapacitated by mental or physical infirmity from earning a livelihood, and provided also that in the opinion of the Commission, such member of the forces would have wholly or to a substantial extent maintained such parent or person had he not died.

Section 34 (4)—In cases in which a member of the forces has died leaving more than one parent or person in the place of a parent who were wholly or to a substantial extent maintained by him, the pension for one such parent or person may be increased by an additional amount not exceeding one hundred and eighty dollars per annum and the total pension apportioned between such parents or between the parent and such other person.

Section 34 (5). The pension to any parent or person in the place of a parent shall be subject to review from time to time and shall be continued, increased, decreased or discontinued in accordance with the amount deemed necessary by the Commission to provide a maintenance for such parent or person but in no case shall such pension exceed the amount of pension prescribed for parents in Schedule B of this Act.

Section 34 (7). The pension to a widowed mother shall not be reduced on account of her earnings from personal employment or on account of her having free lodgings or so long as she resides in Canada on account of her having an income from other sources which does not exceed two hundred and forty dollars per annum

Section 2 (p)—Widowed mother may, in the discretion of the Commission, include a mother deserted by her husband when the circumstances of the case are, in the opinion of the Commission, such as would entitle her to a pension.”

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At the top of page 35 you will find a recommendation in regard to these sections and subsections. The recommendation is as follows:

"That provision be made so that widowed mothers who fall into a dependent condition after the soldier's death and who, in the opinion of the Pensions Board, would have been wholly or to a substantial extent maintained by the soldier had he lived, will be in the same position regarding pension as the widowed mother under Sections 34 (1) and 34 (7), so that personal earnings will not be deducted from pension."

Briefly, the change suggested in the law is this, that if a man enlisted and he was supporting his mother, either wholly or to a substantial extent—he assigned pay to her—and he was killed overseas, she is entitled to a pension without any deduction in regard to her earnings, irrespective of how large they may be. If a woman was not substantially or wholly maintained by her son at the time of his enlistment or death, and years afterwards she falls into a dependent condition, her estate and the state of her health are taken into consideration in assessing a pension.

By Mr. Chisholm:

Q. There is no time limit to that?—A. No, provided she makes application within three years after falling into a dependent condition. So, if a woman, for instance, was not maintained by her son to any extent or any substantial extent according to the statute, before enlistment or during service, and then he died, if she is in receipt—take by way of an illustration—of an income of \$3,000 a year, she would not receive any pension. Nor would she receive any pension unless she is incapacitated, and then according to the state of her incapacity and the condition of her estate we award a pension if we think she is entitled to anything. That is, if we can come to the conclusion that he would have supported her had he returned. There are two classes of cases. There are those which I might call direct and immediate dependency, as compared with prospective dependency. The law makes a sharp distinction. In the one case there is no doubt that the son has been the mainstay of his widowed mother, and in the other case he is merely the prospective mainstay.

Q. Is there any provision made for the father?—A. He is the same under both classes. In other words, a father does not receive a pension unless he is incapacitated.

By Mr. Caldwell:

Q. Take the case of a mother whose husband is crippled or incapacitated. Would she come under the widowed mother class?—A. No.

Q. Was there not a contention that she should be so considered?—A. I have not read the evidence, and I do not know what the suggestions were.

Q. Take the case of a widowed mother who had a little home with a store in the front. She was able for a time to make a living out of the proceeds of the store, but the business has run down until there is no revenue from the store, and she has sold both home and store. Would the Pension Board consider she was not entitled to a pension until she had disposed of the proceeds of the store and home?—A. What were the circumstances?

Q. I know of a case of that nature, and your Board said she was entitled to a pension as soon as she has used up her capital. She has sold the home and store for \$1,500, due in three yearly payments, and the Board ruled that she was not entitled to pension until she had used up all this capital. If she had kept the home and lived in it she would have been entitled to the pension.—A. If she is a prospective case, she is not entitled to it. That is what I say, there is a sharp distinction between the two.

[Colonel Thompson.]

Q. If she were immediately dependent?—A. Then she is entitled to a free home.

Q. If she becomes dependent she is not entitled to her home?—A. No.

By Mr. Arthurs:

Q. What is the practice in Great Britain in this regard?—A. They have an entirely different distinction. I cannot give all the details of their statute—

By Mr. Caldwell:

Q. You tell us there is a distinction in the Act between these two classes, those immediately dependent and the widowed mother who becomes dependent afterwards?—A. Yes.

By Mr. Arthurs:

Q. There is no distinction in the United States between those.—A. I do not know. I can understand the reason for it, because in the one class, here is a man who was the mainstay of a family, and in the other case the man made very little contribution, or there was no indication as to whether he would have been the mainstay or not.

Q. There are very many cases of a young man going to school, supported by his father, and enlisting; he is killed on the field in France, and later his father dies. There should not be any distinction there, I think.—A. There is a distinction that is drawn, anyway.

Q. I cannot see any reason for it.—A. Except this, an account of the thousands of cases that come before the Board. There will be three sons enlisting, say; we had a case the other day where three sons enlisted and two of them assigned their pay and one did not. The two who did assign came back and are no support, and now although there was no support from the third, either before or during enlistment, the claim is put up that he probably would have done so. There is a distinction between the man who really has come forward and kept the home going, and the one who has not.

By Mr. Caldwell:

Q. But supposing there is an only son in the condition Mr. Arthurs speaks of. Even if he had been only a graduate of school, and had gone overseas and was killed; he was the only support of that mother after the husband had died, or would have been her support had he lived. After her husband's death, she undertook to carry on by getting in a few things in the front of her house in a little store, but there was not very much revenue. In a couple of years she had to sell out and sell the home to pay the debts she had contracted in running the store. I think it took about half the proceeds of the home to pay the debts, and then the Board says she is not entitled to pension until she has used up all these proceeds, and in the meantime she has to rent a home.

Mr. HUMPHREY: In this evidence before the Commission there is no distinction made between parents in Great Britain, and in the United States no distinction is made between widowed mothers actually dependent at the time of the son's death and those who become dependent afterwards.

Mr. CALDWELL: I think it is one of the things we should remedy this year.

The WITNESS: I have not the English regulations here, but apparently they are stricter than the Canadian regulations. We have cases of Canadians with mothers in England, and the mother has also two sons who enlisted in the English forces. One of the sons who enlisted in England is killed, and the Imperial Government gives no pension at all, or a very very small one. That

[Colonel Thompson.]

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is what I find from the statements and the reports. I know of the conditions, and they apply to us for pension in regard to the son who enlisted in Canada, because they are not getting enough to live on. They are getting no pension, or possibly \$5 a month from the Imperial Government.

The next one is on page 36, referring to Section 38, and reads as follows:

"Time for payment of pensions for deaths"

Pensions awarded with respect to the death of a member of the forces shall be paid from the day following the day of the death except,—(a) in the case in which a pension is awarded to a parent who was not wholly or to a substantial extent maintained by the member of the forces at the time of his death, in which case the pension shall be paid from a day to be fixed in each case by the Commission; and (b) in the case of a posthumous child of a member of the forces, in which case the pension for such child shall be paid from the day of its birth."

The recommendation is on page 37, and is as follows:

"That provision be made that, in case of the death of a pensioner and pending consideration of a claim for Pension on account of such death, payment of an amount equal to Pension for death shall be made to the dependent in weekly instalments for a period not exceeding one month, such amount to be refunded if Pension is eventually awarded."

I suppose that was suggested in order to tide over the period between the award of a pension, or the refusal. Of course, what follows there is that many hundreds of people will receive one month's pension who are not entitled to it under the statute, in that the death was not related to service.

By Mr. Humphrey:

Q. It would not be a question of finance, so much as a question of principle. There is a possibility of every one of these cases being entitled to a pension?—A. If they are entitled to a pension, they are just getting what they should.

Q. I would take it that that recommendation was to give them a chance to be tided over until their case was disposed of by the Board of Pension Commissioners?—A. That was the idea. I merely point out that if a man has a stiff wrist and is killed in a railway accident, the widow and children get a pension for a month, although his death would not have any relation whatsoever to his disability. Supposing a man has varicose veins and dies of anything at all, they would get that month's pension, anyway.

The next recommendation is No. 15, on page 34, referring to Section 41, and is as follows:

"Allowance to widowed mothers and widows on re-marriage."

Section 41. Upon the marriage or re-marriage of the mother, widow, or divorced wife of a deceased member of the forces who is receiving a pension, or of a woman awarded a pension under sub-section three of section thirty-three of this Act, her pension shall cease, and she shall then be entitled to be paid one year's pension as a final payment."

The recommendation is at the top of page 39.

By Mr. Caldwell:

Q. When this woman is married, she is given a prepayment of one year's pension?—A. Yes, and then she receives nothing more, no matter what happens.

[Colonel Thompson.]

The recommendation is as follows:

"That provision be made that in case of the death of the husband of a woman married or re-married, as contemplated by Section 41, and if such death takes place within five years after such marriage or re-marriage pension be restored if and so long as the widow is in a dependent condition, and the final payment previously made under Section 41 be refunded in instalments as fixed by the Pensions Board, such instalments not to exceed 50 per cent of the amount of the restored pension being paid from time to time."

In other words, the recommendation is that if a woman who is the widow of a soldier and on pension, marries, that she shall be restored to pension provided that her second husband dies within five years of the re-marriage

By Mr. Caldwell:

Q. And that the year's pension that she has been prepaid will not be deducted all at once from this pension that she will be getting, but she will get a portion of each year's pension and will refund the year's pension by instalments?—A. I am merely indicating where the change of principle comes in. The next recommendation is No. 16, on page 39, which refers to "Lump sum final cash payments." This is a long affair, and perhaps I might briefly outline what it refers to. The amendment was passed to the Pensions Act three years ago, that if the pensioner were in classes not exceeding 14 per cent, he might elect to take a lump sum in final payment, and receive no further pension.

Q. Unless the disability increased?—A. I was going to add that, unless the disability increases beyond the amount he was pensioned for, or he is moved out of the class.

Q. If it did increase, he had a right to go back and get the increase in pension?—A. Provided his disability increased out of the class mentioned in the schedule.

Q. Did this have to increase above the 14 per cent?—A. No.

Q. But it had to increase above the class he was paid off for?—A. That is all set out in the schedule.

Q. That is, supposing he had a 5 per cent, disability, and he took a lump sum for it, and later it increased to 9 per cent or 10 per cent, he had a right to go back?—A. If he increased from 5 per cent to 9 per cent, he could not come back. If he increased from 5 per cent or 6 per cent or 7 per cent, or if he increased from 9 per cent to 10 per cent, then he would be entitled to go back on pension.

Q. But if he increased from 5 per cent to 9 per cent, he would not be entitled to go back?—A. No. That is the schedule. These various rates, in conjunction with the amount authorized to be paid by way of final payment were decided, as you will see, on page 39, and the suggestion made was that all these cases should be re-opened. I think there were some 20,000 took the final payment, and some ten million dollars was paid out. I can give you the exact figures if you want them. Then the suggestion made was that if a man's disability was rated at one year's duration and as a matter of fact it exceeded three years' duration, he was not paid as much as he should have received, or as much as he would have received if he had remained on pension and had not taken the final payment. That is what the various suggestions were, and the recommendation is on page 40.

Q. What has your actual experience been? How many of these men have come back with an increase of disability, out of the number that got a final payment?—A. I cannot say. I could probably let you know.

[Colonel Thompson.]

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Q. I would like to have that, and also how many of their claims were allowed for an increase in disability. You can give it to us later, possibly, if you haven't it now.

By Mr. Humphrey:

Q. Just before you go on to the recommendation, is it not within the power of the Board now to re-open a case upon representation?—A. Yes.

By Mr. Caldwell:

Q. If you believe the disability has increased?—A. Oh, yes. If the man sends in a doctor's certificate, showing the disability has increased, we examine him at once.

By Mr. Humphrey:

Q. By recommending that you have the privilege of re-opening the cases where lump sum payments were taken, it would not conflict with what the present regulations say?—A. That recommendation means to put a man back on pension whose disability has not increased. Take a man who is a 10 per cent disability, and who was paid the lump sum; he has not changed in any respect. The suggestion is that the case should be re-opened and he should be put back on pension.

Q. To be re-opened in case his disability has increased?—A. No, the suggestion of the ex-service men is that all these cases should be re-opened and the men put back on pension.

Q. Whether the man wants it or not?—A. Whether the condition is changed or not. The Commission makes no recommendation. The next recommendation is No. 17, at the foot of page 40.

By Mr. Caldwell:

Q. The Commission made no recommendation on this lump sum payment?—A. No recommendation.

Q. You will be able to give us the information later as to how many of those men applied for the re-opening of their cases, and how many of them came back for pension?—A. I fancy we can provide that.

By Mr. Humphrey:

Q. Together with information showing the change in disability, whether the disability had increased, or remained stationary, or decreased?—A. Yes.

By Mr. Caldwell:

Q. Does a man lose his right to go back for hospital treatment after he receives this lump sum?—A. No.

Q. If his disability does not increase, he has no right to go back, has he? I have understood that if his disability did not increase he had no right to go back to the hospital.

Mr. FLEXMAN: He can go back any time for his original disability.

The CHAIRMAN: We will now adjourn the committee until Friday.

The witness retired.

The Committee adjourned.

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HOUSE OF COMMONS,

COMMITTEE ROOM No. 436,

FRIDAY, June 13, 1924.

The Special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers, met at 11 o'clock a.m., the Chairman, Mr. Denis, presiding.

The CHAIRMAN: Gentlemen, we will now proceed. At the last meeting I was called upon to invite Mr. Newcombe, Deputy Minister of Justice to give us his opinion as to paragraph 2 of Section 12, which is generally known as the "Meritorious Clause." There has been some discussion in the Committee as to how a new clause could be drafted. It has been proven that the clause as drafted last year was ineffective. Therefore a new clause had to be drafted if the idea of granting pensions in some particular cases is to be carried out. Two or three days ago I met Mr. Newcombe and I submitted the point to him. He has been kind enough to come before the Committee this morning, and upon my invitation he has prepared himself on the subject. Therefore I would ask Mr. Newcombe to let us have his opinion as to how a new clause should be drafted.

E. L. NEWCOMBE called.

Mr. Chairman, and gentlemen; the Chairman called upon me the other day and submitted the question as to this clause which now stands as subsection 2 of Section 12 of the Pension Act, providing for a special grant in cases of merit outside the provisions of the Act. As I understand the scheme of the Act, it is first to constitute the Board and then to regulate the authority within which that Board is authorized to grant pensions. There are many cases in which pensions are provided for, carefully regulated by the statute. There are provisions that in other cases pensions shall not be granted. Those are statutory provisions, and I suppose it is not the intention of the Committee to invest in anybody the power to disregard the language of the statute. Nevertheless, outside of that altogether, there may be cases of merit, cases which cannot be imagined or foreseen, which may arise in which, from compassionate motives or otherwise it would be considered not inconsistent with the public interest and especially just so far as the private interest is concerned, that some award should be made. Now, the difficulty of giving effect to such an idea as that is considerable. The present clause, as it stands, I should think is ineffective to produce the result which was intended if for no other reason than because it is linked up with Section 12 and its amendments, which is confined to claims for pension where the reason for the grant arises out of improper conduct.

I gave the matter some thought, and I drafted a clause which I have submitted to the Chairman, and which I would read to the Committee, and as far as I know it is the best I can do with it. Of course, you see it is really necessary before the Commission makes an award under any clause of this sort that may be drafted, in order to maintain the authority of Parliament and to see that these provisions which have been carefully framed for limiting the authority of the Commission, are not disregarded, that the case should be reviewed upon legal grounds as to whether reasons exist under which the authority may be exercised by the Commission. Now, with that preliminary statement I will read this clause, and I will be glad to answer any questions that any gentle-

man desires to ask about it. I suggest the repeal of Section 4 of Chapter 62 of 1923, which is the present clause about meritorious grants, and substituting therefor the following:

"If application be made for a pension in any case which is not a case or within any class of cases as to which it is by this Act provided that a pension may be awarded, or that a pension may not be awarded, and which is not otherwise provided for by this Act, the Commission may nevertheless investigate and ascertain the facts of the case, and if the application appear to the Commission to be a deserving one, the Commission shall report the facts to the Attorney General of Canada, and upon the report of the Attorney General in writing advising that the case is one in which the Commission is empowered to award a pension under the authority of this section the Commission may proceed to award a pension accordingly; provided that a pension awarded under the authority of this section shall not exceed in amount that which could have been granted in the like case under other provisions of this Act if the death, injury or disease on account of which the pension is claimed were attributable to military service."

The proviso is necessary so that the Commission, in the exercise of its powers, cannot make a grant greater in amount, on account of meritorious service, than could have been granted under the ordinary provisions of the Act in the like case where the cause of death or injury was directly attributable to military service

Mr. CLARK: Mr. Chairman, unless we get copies of this proposed section, I do not think we can intelligently question Mr. Newcombe on it.

The CHAIRMAN: I have only two here, but you may have them for the time being.

By Mr. Ross:

Q. Is the Minister of Justice sometimes called the Attorney General of Canada?—A. Yes; he is *ex officio* Attorney General. That expression, I may say, "Attorney General of Canada" is incorporated there because of a somewhat corresponding provision in the Audit Act where the Auditor General may refuse to authorize a cheque upon lack of Parliamentary authority, and then it is provided that the Treasury Board, upon the report of the Attorney General that there is Parliamentary authority, citing it, may over-rule the Auditor General and direct the cheque to be issued.

By Mr. Clark:

Q. I presume that there is provision in the present Act dealing with the class of cases under which the specific case might come. Then under the proposed section it would be impossible for the Pension Board and the Appeal Board or the Attorney General to deal with the case on compassionate ground?—A. It would be excluded to provide specially for such a case.

Q. Can you give us one or more examples of cases that might come under this section or this proposed section?—A. I think Colonel Thompson could do that better than I.

By Mr. Arthurs:

Q. Where there was some impediment in the present Pension Act it would also be barred by the proposed amendment?—A. If it were excluded, certainly, because the negative proposition is a more valid declaration than the enabling condition.

[Mr. E. L. Newcombe.]

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By Mr. Clark:

Q. Might I follow that up? Does Mr. Newcombe consider that the proposed clause is any broader in its effect than the clause which was passed last year beyond the fact that the clause of last year was not a subsequent section.

By Mr. Caldwell:

Q. If I am not mistaken there is a clause in this that made the clause of last year inoperative, that is, it should not come under any class of case that was already provided for in the Act. I imagine Colonel Thompson could give us an illustration of how this would work out, but we have had cases before now, of, we will say, a man who failed to turn up for examination; he has probably deserted his family, and because he did not turn up for examination he was cut off from pension.—A. That class of case is provided for in the Act.

Mr. Ross: In other words that is surely ruling out just what you want.

By Mr. Clark:

Q. I wonder if I might get an answer to my question. Is this proposed section any broader in its effect than the section which we passed last year outside of the fact that we make this a subsequent section, whereas last year we made it a part of the section relating to misconduct?—A. I would think it is strictly more limited than that clause, but I would say with all deference it is necessarily so on the principles of good legislation, because when you have the attention of Parliament brought to the particular subject and provision especially made, it is not consistent with the principles of good legislation to provide for an irresponsible party setting this aside and making such grant as they saw fit. It might be well imagined it would be much easier to administer this Act if we had this clause in question divorced from this section or the section 12. It would be much easier for the administrative body to act entirely under that clause than to be governed by the multiplicity of clauses which the Act contains, limiting and directing the manner in which their authority is to be exercised. Therefore it might well happen in the administration if this clause should by itself, without any limitation whatever, that we would find a body administering this Act without any statutory direction at all, except that they could carry on as they saw fit.

Q. Following this up, I have an idea that this would make very good legislation, but what I would like to point out is just what class of cases or classes of specific examples will the proposed clause cover.

Mr. CALDWELL: What cases could be dealt with under that?

Mr. CLARK: Yes.

By the Chairman:

Q. Colonel Thompson, can you quote a case?

Mr. Ross: I would like to make a suggestion, because I think it was General Griesbach who had most to do with that amendment. I never can see how you are going to operate under it and I do not see how you can get anything through. The case you will get through with this amendment will be as rare as a canary in White River in February. I do not see how you can bring up a case that does not come under the schedule that is a case for pension or a case against a pension.

By Mr. Arthurs:

Q. What would be the result if we put the present section 12 (2), that is the meritorious clause—if we recommend that, leaving out the words,

"because such case did not form part of any class of case". That was the clause, I understand, which prevented many very meritorious cases having any redress. It is right before you on page 13.—A. If you strike that out, while it is out, I should humbly submit there would be hopeless confusion because there would be no law whatever regulating the discretion of the Board.

Mr. CLARK: Might I cite a concrete case for the opinion of Mr. Newcombe, under this proposed amendment?

The CHAIRMAN: Surely.

By Mr. Clark:

Q. A man in England, a Canadian soldier, marries. The Canadian soldier subsequently goes to France and is killed. This woman has a child by him and returns to Canada. By the way she draws separation allowance all the time the soldier is in France, in the line. She goes back to Canada and she applies for a pension and she finds that this soldier was married before he went overseas and has quite a large family and the real widow applies for and gets the pension. Now, this other woman is denied a pension because she is not the widow and the real widow subsequently remarries and no pension is being paid to any one except to the children, but the child is drawing pension. If it can be proven she married this man in a bona fide way, believing him to be unmarried, would this proposed section cover such a case?—A. I understand that very sort of case is provided for in the Pension Act in the negative, that the woman under those circumstances does not receive a pension.

Q. Therefore the proposed section would not cover that case?—A. I would say no, on the assumption that the rights of this woman who married the man, when he was already married is provided for especially by the Act and is rejected.

By Mr. Shaw:

Q. Perhaps I might suggest this: it seems to me as I have been at a couple of meetings of the Committee, the interests referred to by General Clark—I do not know what we are trying to get or what kind of a case. What I would like to ask Colonel Thompson is this: He has in mind Mr. Newcombe's suggestion to meet that situation. I would like to ask Colonel Thompson what cases that could not be pensioned under Section 12, subsection 2, are now capable of being pensioned under the proposed amendment of Mr. Newcombe.

COLONEL THOMPSON: Offhand I can quote two classes of cases. For instance, under the Statute if a woman is looking after a child, feeds him, clothes him and educates him and he grows to manhood under her care and enlists; when he grows to manhood he supports the woman who looked after him, contributes to the household expenses, signs pay to her when he is killed, she is considered as his foster mother and will get a pension. Let us take the case of a man in Ottawa: He is 21 years of age and when he has arrived at the age of 21—that is an arbitrary number of years which I would use; that he has attained manhood, that he is not a child and he leaves Ottawa, goes to Toronto; he has no father or mother or at any rate they are not dependent on him and he goes to Toronto and when there he falls ill and is taken care of by an aunt, who looks after him during his illness. On his recovery he lives with the aunt, but in the course of events she falls on evil circumstances and he looks after her, probably looks after her for several years and he enlists and signs pay to her and he is killed. She gets no pension under this present act. She does under the amendment. She is not provided for or against. She is simply ignored by the Statute. Or, for instance, supposing in some industry,

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or in the mining districts in some isolated place there are several, what you might call, pals living together, all close together, perhaps three families, perhaps a man who is not married at all, and they are all engaged in the same kind of enterprise; one of them, perhaps the unmarried one is more successful than the others and the married one is killed in a mine explosion. He looks after the widow's support, keeps the house running, does that for some years. When he enlists he assigns pay to one of them for the upkeep of the joint home. If he is killed there is no pension for them. There would be pension under this amendment. There are types of cases we discussed when this amendment was passed, discussed by the joint boards—I have forgotten specific cases but those two now occur to me, but there are cases such as I have mentioned who have applied for pensions, but we could not grant them and the persons are in great distress. In most cases persons who have come under my notice, I think, are cases of aunts who looked after the boy after he had attained manhood, and the deceased soldier, having supported his aunt some time prior to his enlistment and being the main stay of the household. There are other cases of a similar nature where there is no provision made for these people. The types General Clark has mentioned, with regard to the man who was married before he proceeded overseas, who when he was in England married again and then went to France, that type of case would not be covered. This case comes under number 33, subsection 3.

By Mr. Clark:

Q. Would you mind reading it?—A. (Reads):

“A woman, who although not married to a member of the forces, was living with him in Canada at the time he became a member of the forces and for a reasonable time previous thereto and who at such time was fairly represented by him as his wife can, in the case of his death and in the discretion of the Commission be awarded equivalent to the pension she would receive had she been his legal widow.”

Q. But does that prohibit payment to a woman such as I have cited. For instance, if we had in the Act a subsequent clause such as that proposed by Mr. Newcombe.—A. That case that you have cited I have already provided for. She was not living with him prior to enlistment. She was not his widow and she was not living with him prior to enlistment.

Q. Therefore it does not come within that class of case?—A. Therefore the case that you cite is barred out and therefore provided against.

Q. I submit that it does not come within that class of case at all. She comes within the class of case which is not provided for by the Act at all, if that is the only provision you can refer to, relating to a man who was not married, because it refers to a woman who lived with a man who went overseas it does not refer to a woman who lived with the man overseas and did not go through the ceremony of marriage at all. I think that case I cite might come within Mr. Newcombe's amendment?—A. I should think not, but it might.

Mr. CLARK: If that is the only clause that prohibits payment of a pension I think I am right.

Mr. ARTHURS: Mr. Chairman, I would suggest that some committee be formed by this Committee to endeavour to form, from a layman's point of view, what they think would express the viewpoint of a Committee of laymen, that is afterwards to be submitted to the Justice Department. And I would suggest Mr. Clark, Mr. Caldwell, Mr. Speakman and the mover and Mr. MacNeill of the G.W.V.A. and the Chairman, of course.

[Mr. E. L. Newcombe.]

The CHAIRMAN: Is it the pleasure of this Committee that this sub-committee should be formed.

Motion agreed to.

By Mr. Arthurs:

Q. Before Mr. Newcombe leaves, with his permission, I should like to submit a question to him. I have here in my hands a clause drafted by a gentleman who submitted to me, for the information of the Committee, and before Mr. Newcombe leaves I should like to ask his opinion as to the draft of a clause like this one, which I might call a draft by a layman. It would read like this—"An individual case which in the opinion of the majority of the members of the Pension Board and the Appeal Board, acting jointly, appears to be especially meritorious, and which case does not appear as pensionable under any existing provision of this Act may be made a subject of an investigation and adjudication by way of compassionate pension or allowance, irrespective of any schedule of this Act." Before Mr. Newcombe leaves I would ask him to give us his opinion as to what would be the effect of a clause like this.—A. The effect, as I see it would be very much the same as a provision stating that notwithstanding any provision of this Act, the Pension Commissioners may grant a pension of any amount to any person who sees fit to apply for it. Once you admit that you are going to have regard for the limitations of the Act at all, that involves legal consideration as to whether the case which is under consideration and which is said to have special merit is within the legal powers of the Commission to make a special grant. If you commit it to the Commission to say whether the case is especially meritorious and to say whether the cases are within their adjudication or not so that their findings is to cover both, as to the merit of the case and as to their legal authority to make the the grant, all these fictions are removed and the country has no protection as to what sort of action the Commission is to take. It is a question of policy. I submit there is no justification for a policy of that sort.

The CHAIRMAN: Are there any more questions to be asked of Mr. Newcombe.

By Mr. Hudson:

Q. I take this to be the position: There are certain cases in the Act which provide for the granting of pensions. There are certain cases which are prohibited, that is cases where you cannot do it, and your amendment is intended to cover the third field, where there is no provision at all.—A. For or against.

Q. And your idea is that this proposed amendment would cover the second as well as the third field?—A. Yes.

Q. It seems to me that the Committee, in considering this proposal, would then have to leave the first field, that is the pensionable plan, and consider the prohibited cases and see what modifications are required, if any, that is assuming the case that General Clark has put is one that would fall in the second class, and if there are any modifications in the second, make those and then pass on the general clause, which you have provided unless they wish to wipe out all of the prohibited cases.—A. That is my view of it.

The CHAIRMAN: My idea is that legislation should be provided to cover those cases, even though they might be few and when the sub-committee met perhaps we might come to a conclusion that instead of drafting a meritorious clause which would meet our views we might recommend amendments to the Act to cover these special cases, if they can be covered at all.

WITNESS: If I might suggest a better measure of justice, would be to provide especially for such a case as that, rather than to leave all such cases in

[Mr. E. L. Newcombe.]

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the discretion of any board who are not regulated by any statutory discretion. You might find the Statute one day favourable to such a case. Later on you might find a different board there who would take a different view and there is no compulsory provision. It is a matter of mere discretion. Therefore in such cases as that and in like cases it would be better, although perhaps a little more troublesome, to make provision, as far as necessity for provision can be foreseen, than to leave it to the discretion of any irresponsible body.

By Mr. Caldwell:

Q. I would just like to ask Colonel Thompson in regard to another class of case I mentioned this morning. Take the case of a pensioner who has a family and he fails to turn up for examination when ordered to by the Board. For example, he deserted his family and cannot be located; he has left the country. Is his pension cut off then?—A. Yes, until it is ascertained whether he is alive or not.

Q. It has been admitted by the Pension Board, I think, that they believed there was hardship to his family, but under the Act they could not grant a pension. It is a case of this kind we want to cover. Such cases as that could not be dealt with under this amendment because they are already provided for under the Act.

Colonel THOMPSON: Yes, you are quite right.

By Mr. Caldwell:

Q. It could not be dealt with under Mr. Newcombe's amendment?

Colonel THOMPSON: No.

By Mr. Caldwell:

Q. I will admit there is a danger in throwing the thing wide open, as Mr. Newcombe has pointed out. I would rather amend the Act so as to deal with a certain class of cases. There are always new cases cropping up that cannot be dealt with. I do not think there is any danger of anybody getting compassionate allowance unless they are entitled to it. I think it would be perfectly safe in their hands. They deal with this in an absolutely legal manner.

The CHAIRMAN: Are there any more questions you wish to put to Mr. Newcombe? Mr. Shaw has some recommendations to make to the Committee in writing, so I would invite him to make these recommendations and explain them as he sees fit and place them on record.

Mr. SHAW: I have been very much interested in the matter of the soldier settlement scheme for some years, and I want to proceed now to just simply suggest a plan for revaluation, which I think will be much preferable to any plan for the remission of interest, which I suggest is comparatively simple, and will be inexpensive and in the long run will be not only less expensive to the country but will far more efficiently secure the purposes we are all anxious to secure. You cannot say, as far as lands are concerned that we are going to give a 50 per cent reduction. That will create injustice in one case and it may answer justice in another case. Similarly in connection with the matter of interest—I do not want to go into detail on the question as to whether there should be a revaluation of lands and chattels. Personally that is my own view. If we wanted to do real justice, if we want to get the psychological effect, if necessary, we have to face the issue of a capital cut, and in my judgment that is going to work out far more equitably and serve the purposes we desire. The proposal I suggest is this. I might simply put it before the Committee now so that it may be considered and then we will have an opportunity to discuss it. (Reads):

[Mr. E. L. Newcombe.]

PLAN PROPOSED FOR A RE-VALUATION

1. The Minister shall appoint a District Valuation Board, having jurisdiction in each Soldiers' Settlement district. Such Board to consist of three members, one of whom shall be an official of the Soldiers' Settlement Board, one to be appointed upon the recommendation of the Veterans' organization in such district, and the third to be a disinterested, thoroughly independent, and competent party.

2. Any soldier settler who has purchased land under the terms of the Soldiers' Settlement Act and who is residing on and himself farming the lands so purchased may make application for a revaluation of such lands.

Then I provided just the details, because I know in my own mind I sometimes have difficulty in grasping the way it is going to work out. I have provided the detail which will probably be followed, and that is that after the soldier settler makes his application which would be forwarded to the District Superintendent, the settler would receive certain blank forms. The blank forms would be filled out by the soldier settler, and the plan goes on to say:

3. Such application shall be submitted to the District Superintendent of the Soldiers' Settlement Board for the district in which the land is situated and may be submitted by the settler direct; provided, however, that the soldier settler is entitled to and may secure the services of the Soldiers' Advisor for these and any other purposes in connection with said valuation, free of charge. Upon receipt of such application the District Superintendent shall forthwith furnish the soldier settler with blank forms in order that preliminary proof, under oath, may be established as to the following facts:—

(1) That the settler has farmed the said lands in a proper and husband-like manner;

(2) That the difficulties have not been induced or increased by the neglect, lack of energy, or incapacity of the settler;

(3) That the development accomplished by the settler during his occupancy may be fully established.

4. Unless the settler is able to establish prima facie evidence that he has properly and capably administered and managed all property entrusted to him by the Soldiers' Settlement Board, no revaluation of land shall be made.

5. The soldier settler will, at the same time, be furnished with a blank form, upon which he will submit—duly verified—his detailed statement showing: (1) the price at which the land was sold to him by the Board; (2) the price which the settler believes is the true and correct present day value of the said land, based upon (a) the actual original value and (b) the value of improvements effected solely by the soldier since his establishment; (3) the facts and the names and addresses of any individuals by or through whom the settler will establish final proof as to the actual value of the said lands."

That is simply the details, because I want the Committee to have an idea of how it will work out.

6. Upon receipt of such blank forms fully completed, the District Superintendent of the Soldiers' Settlement Board shall forthwith on similar forms prepare statements showing the evidence which the Board has or proposes to use upon the revaluation of said lands, (a) with respect

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to the manner in which the settler has administered and managed all property entrusted to him since establishment; (b) the original and present value of the land.

7. If the District Superintendent and the settler, either by himself or with the assistance of the soldier's adviser, are able to agree upon a common finding, such finding shall be signed by both parties and shall be forthwith forwarded to the District Valuation Board for approval and ratification.

8. If, however, a finding cannot be agreed upon, the statements of both parties to this effect shall be forwarded to the District Valuation Board in order that a time and place for hearing, convenient to all parties, may be fixed.

9. For the purposes of the hearing the members of the District Valuation Board shall have full power and authority to take and hear evidence and to make personal inspection, when deemed necessary or advisable; for these purposes each member thereof shall be constituted as a commissioner under the Inquires Act. Upon the conclusion of the said evidence the Board may make its finding or may reserve its finding to a later date, when such finding may be published, which said finding shall be conclusive and binding upon all parties thereto.

10. The District Valuation Board shall forthwith forward a copy of its finding to the District Superintendent and also to the soldier settler.

11. In the event that the District Valuation Board, in its finding, finds that the soldier settler is entitled to a reduction, then the Soldiers' Settlement Board shall forthwith grant such reduction to the soldier settler and compute same as of the date prescribed by said finding.

12. The Soldiers' Settlement Board shall immediately make provision for a reduction on the prices of all live stock advanced to soldier settlers purchased prior to January 1st, 1922, as follows:—

(1) If purchased during the years 1918, 1919 and 1920, a reduction of 60 per cent of the cost price thereof;

(2) If purchased during the year 1921, a reduction of 40 per cent thereof.

I have suggested perhaps too much detail, but this is the plan which occurs to me as the simplest, cheapest, and most effective way of securing what we are trying to get at in this particular matter. I have taken two things, the land and the cattle. With regard to the rest, there has been little if any depreciation. I may say I am not wedded to the particular details of the scheme, but I think we should investigate thoroughly the possibilities. My suggestion is this that I just leave with the Secretary this plan which I have typed out here, and the members of the committee will have an opportunity to consider it, and I have no doubt they may deem it advisable to modify and qualify it to make it far more effective than the plan which I have outlined here.

The CHAIRMAN: The plan which has just been given to the Committee by Mr. Shaw has been matured and carefully thought out. This we can easily see. Therefore I recommend that the members of the committee be so kind as to examine that plan and study it so that they may be in a position to express an opinion as to it when the time comes to draft our amendments to the law. Proceeding as we proceeded before, I will not ask the members of the committee to discuss the plan now. It is placed on the record simply to allow members of the Committee to study it, and it will be discussed later on.

[Mr. E. L. Newcombe.]

COL. JOHN THOMPSON, recalled.

By Mr. Raymond:

Q. There is a case on which I would like to ask for some information, which has come to my notice. It is that of a woman whose husband was a soldier; he was killed and she was in receipt of the pension until she married again. Of course she lost her pension when she married again, and subsequently she was deserted by her second husband. Would there be any way in which that woman's pension could now be restored?—A. Not under the present Act.

Q. May I ask if there is any proposal to amend the Act which would cover such a case? It seems to be a deserving one. It was beyond the power of the woman to foresee what happened and the pension is not being paid to anyone else.

The CHAIRMAN: This might be considered by the sub-committee, and moreover Colonel Thompson informs me there is a recommendation in the Ralston report on that.

By Mr. Raymond:

Q. You have had similar cases, then?—A. Yes.

The CHAIRMAN: I will now ask Col. Thompson to proceed with his evidence, and I would ask him in the first instance to give us a little further detail as to the recommendation which is to be found at the foot of page 16 in the Ralston Commission. It appears to me that this recommendation is an important one; I have read it over, and in my opinion we did not have enough explanation about it. Therefore I would ask Col. Thompson to give us some further information on it, and then to proceed from where he left off the last time.

The WITNESS: The recommendation at the foot of page 16 has reference to an amendment to Section 13 of the Pension Act as at present constituted. Together with the amendments it reads as follows:

13. "A pension shall not be awarded unless an application therefor has been made within three years;

(a) after the date of the death in respect of which pension is claimed; or

(b) after the date upon which the applicant has fallen into a dependent condition; or

(c) after the date upon which the applicant was retired or discharged from the forces; or

(d) after the declaration of peace."

Provided that the provision of subsection (d) as above shall not apply to an applicant claiming dependent's pension who was not resident in Canada at the date of the soldier's death and has not continuously resided therein."

The proposed amendment practically eliminates the time within which a dependent may make an application for pension; it makes it unlimited. It makes no change with regard to former members of the forces, it does not change the status at all. They are limited by the statute, but so far as the dependents are concerned, the suggested amendment at the foot of page 16 makes the time within which a person claiming as a dependent may make an application—it extends the time indefinitely. For instance, supposing a man was killed in 1918, and in 1919 or 1920 a woman came along and made an application for pension on the ground that he had been living with her as his wife, prior to enlistment;

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she would be entitled to a pension if such were ascertained to be the fact, namely that he had been living with her under those conditions. Under this amendment it would be possible for women, years hence, when the possibility of disprove has passed by, to furnish affidavits and produce claims stating that years before, although they knew of the man's death or possibly had never heard of him, they were living with him at the time of his enlistment. What I would like to call the attention of the committee to is that the opening up of the time limit is opening up an avenue of tremendous fraud. I do not think there is anything more to say about that.

By Mr. Shaw:

Q. Might a failure to follow this recommendation do injustice to some people? Supposing this proposed recommendation were not given effect to. Might an injustice be done anybody by limiting the time to three years?—A. That is the present limitation, three years.

Q. Suppose the applicant for pension were under some disability, we will say perhaps a mental disability of some kind, and does not make application within three years?—A. Yes, such a mental case would be barred. That would be an injustice, I quite agree with that. What I point out is that there is danger of trumped-up claims being brought forward years hence. As I stated to the Committee the other day, there are a number of cases in Russia, Serbia, Roumania, and so on, which are barred by the present statute. This amendment would allow them in. They may be genuine or not, I am not making any comment on that, whether it would be advisable to include them or not. That is naturally up to the committee, as to whether these people should receive a pension, and as to whether it should be retroactive and so on. One cannot judge at the present time in regard to these continental cases, as to whether the people are really entitled to pension. They may be widows who have remarried or something of that sort, or they may be in the class of cases I have referred to, where a man was not living with his wife on account of her immorality, and yet years after any chance of proving that has passed by, she appears with her marriage certificate and claims a pension retroactive for ten or twenty years.

Q. Would this not be stating the issue fairly? You are putting a definite statutory limitation, where the way to meet it is by requiring a strictness of proof rather than barring anybody out by the arbitrary setting of a time limit?—A. I do not think that is practical.

By Mr. Caldwell:

Q. Is it not a fact that an applicant for a pension has to prove to the satisfaction of the Pension Board that they are entitled to it, before they get a pension?—A. If a woman produces a marriage certificate, that is prima facie evidence that she is the wife of the man.

Q. Would she not have to prove that she lived with him and he was supporting her? Is that not in the Act? I think she has to prove she was supported by and living with him previous to service. You take the case of a woman who married a man in England, who was married before, she would have the marriage certificate but you would not take that as proof that she was entitled to pension, because she was not living with him?—A. The marriage certificate of the legal wife is already produced in that case, and then there also is the prohibition against such a pension, as it says that no two pensions shall be paid.

By Mr. Shaw:

Q. Take this case in civil law; a man has a claim against an individual, say a claim for debt. He can bring his claim any time within six years,

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and there are many cases in which that period of time extends to 20 years.

—A. Yes, or it is reduced to two years.

Q. In occasional cases it is reduced to one year, I think, too.—A. Yes.

Q. Should we not at least put it on the basis of a debt?—A. Of course, it is immaterial to me.

Q. I just want to get your view.—A. I think that was a generous provision as it now stands in the statute. As a matter of fact, I mentioned that same point when the question was discussed two years ago, I think. It is amazing now, the number of what are really fictitious cases of claims being made to the Board.

By Mr. Robichaud:

Q. Would it not be better, Col. Thompson, to pass a limit of time on the merits of the case? I have in my constituency several cases where people who had lost a son at the war did not know they were entitled to a pension until they heard of some other case discussed; it went from one neighbour to another, the thing spread to the more remote parts, and I must have over 20 cases of people who did not know they were entitled to a pension.—A. What are their circumstances?

Q. They did not know they might have been entitled to a pension.—A. What are their circumstances? The reason I ask is because, supposing a man in your constituency, a farmer, lost a son and he was carrying on, working and supporting himself, he would not be entitled to a pension until he became dependent, and then his claim would mature for the first time.

Q. I had in mind a case where an old lady had lost her only son, and only found out last winter that she could get a pension. I put the case before the Board and she got her pension.—A. Quite so, and there are cases like that, where there is a dependent parent and the man assigned pay; there are cases where such a parent might be entitled to a pension 40 years hence.

Q. Yes, but this three year limit would not affect them?—A. No, because they do not become entitled to pension until they are dependent, and their claim does not mature until then. What I am referring to, chiefly, is these unmarried applicants.

By Mr. Shaw:

Q. Why not make a special section of the statute to cover the cases you mention? I am told, for example, that there are a great many soldiers now turning up who are finding out for the first time that they are entitled to a war service gratuity. A. Quite so, and I can see no criticism of the suggested amendment other than the words, "showing the death" on the document. As I point out, that suggested amendment to Section 13 is the practice, and I have no criticism whatsoever, and no observation to offer with regard to it excepting the words, "showing the death", and this would refer wholly and entirely to dependents, a widow or an unmarried woman living with a man prior to his enlistment.

By Mr. Caldwell:

Q. Then you think if the three words you speak of, were cut out, there would be no objection?—A. Not the slightest.

Q. That it would apply to soldiers only?—A. Yes.

Q. Would it not also apply to dependents, if that were cut out?—A. No, because the amendment suggested is to prevent a man who has a disability being barred after the expiration of three years, on the ground that he has not made application for pension. The suggested amendment, as I say, is the practice there. It is proposed to embody it in an amendment so that it would be perfectly clear as to what the law is, apart from any

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practice which now prevails, but it also obviates the words, "showing the death" and also the last two words "or death"; opens the thing up as I say indefinitely with regard to chiefly women, in fact entirely to women, because a woman may come along some years from now and show that she actually was married to the deceased soldier, as a matter of fact he may have been divorced from her and have married two other women in the meantime. The most difficult case of all would be the case where it is alleged by these women that they had been living with the man who was killed. That is a very difficult thing to disprove.

By the Chairman:

Q. Without being married?—A. Without being married, and if they had been living with him prior to enlistment they would be entitled to pension, not only that but entitled to a pension for perhaps 20 or 25 or 30 years back.

By Mr. Robichaud:

Q. How could they be entitled to a pension if they had been living with him illegally?—A. Because the Statute says so. "An unmarried wife would be entitled to a pension". I am not responsible for the language of the statute.

By the Chairman:

Q. What you mean is this: Supposing that ten or fifteen or twenty years after the soldier is dead a woman may come along and say, "While this man was living I lived with him as his unmarried wife; therefore I am claiming a pension" and that the Board would not be in a position to find out whether or not she was telling the truth?—A. Quite so. And she might produce any number of affidavits to support her claim, that would be false. That is what we are getting at the present time.

By Mr. Brown:

Q. You are actually getting cases of that kind?—A. Yes.

By the Chairman:

Q. Coming forward with affidavits stating facts that had occurred 10 or 15 or 20 years ago and the Board would not be in position to find out whether or not she is telling the truth or whether or not the facts contained in those affidavits are true or not. Therefore it would be an ex parte case before the Board and the Board would have to stand by the declaration that is made?—A. That is what we call ex parte applications, the Board in fact not knowing the circumstances and having no opportunity of proving or disproving the facts.

Q. I suppose whenever an opportunity is given you try to find out whether the facts are correct or not, do you not?—A. Oh yes, we do, and we detect frauds, in some cases.

By Mr. Caldwell:

Q. Would this be practicable, if we pass this amendment but make it not applicable to unmarried wives?

The CHAIRMAN: That is another question.

By Mr. Caldwell:

Q. Personally I never could see the justice of pensioning an unmarried woman who lives with a man in violation of the laws of the land.

The CHAIRMAN: I have no opinion to express on that. It is a matter of policy for the Committee to decide.

[Colonel Thompson.]

Mr. CALDWELL: In my mind there could be a clause inserted exempting the unmarried wife, if that is what you like to call her, from the operation of this amendment.

Mr. SHAW: Or provide proof in her case, and proof establishing the pensionability must be presented before a District court judge or a Supreme court judge. I think there is something in what you say, that is, after many years, the opportunity for securing the evidence has faded away, and the opportunity for securing the facts perhaps is weakened.

WITNESS: What about the divorced wife?

Mr. SHAW: If people had to go before a Supreme Court Judge they would hesitate to make false affidavits. I think we could well exclude that class in the operation of this amendment. I do not think there would be any injustice done at all if these claims were limited to three years.

Mr. CALDWELL: Most of them have had six or seven years already.

By Mr. Brown:

Q. I do not think any injustice would be done at all if all these claims were excluded after a certain time.

WITNESS: Those cases have already had three years to file their claims.

By Mr. Shaw:

Q. Is it not the case that what we call a common law marriage is just as binding as though they had gone through all the formalities of the ceremonies in a church?—A. It may be in your province, not in Ontario.

Q. Does that situation not exist in England and in France or any place where this marriage might have been contracted and in some provinces in Canada?—A. I do not know what the laws of the other provinces are, but I want to say in Ontario that is not so. Such a person has no status at all. I think such a person has no status in England. If I might interrupt for a minute there should not be such a thing as a common law marriage. In France there might be the equivalent.

Q. Do you not think in that case it would be unfair to put the wife in a different position than any other wife?—A. I am not suggesting that there should be or that there should not be a distinction between the two. I am pointing out the type of case that it is difficult to prove or to disprove. At the present time such persons are all on the same basis, whether they are married or whether they are unmarried.

By the Chairman:

Q. I suppose the point is this? Where a woman has been married to a man before the Church or according to the laws of the state, there is a record of it and the marriage can always be proven twenty years after the death, but where the woman has not been married but simply lived with the man as his wife, there is no record of it. That is where the difficulty comes in, to prove the fact that she was living as an unmarried wife as against the case where there is a record, which can always be proven without fraud?—A. Yes. I was dealing at the last sitting of the Committee with the final payments and I was asked how many applications for medical examination of the men who have accepted final payment by agreement, have been carried out and have been re-instated on pension. Full details are not available but I find (a) the total number of final payments by agreement up to and including the 31st of March, 1924, was 24,650; (b) the number of men who have accepted final payment and have since been medically examined and re-instated on pension up to the 31st of March, 1924, was 384 out of 24,650, the latter figure being the number who received final payment.

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By Mr. Caldwell:

Q. How many have applied to be re-instated?—A. There is no record as to the number.

By Mr. Robichaud:

Q. This number, 384, would be due to aggravated conditions?—A. Yes.

MR. CALDWELL: Disability had increased?

By Mr. Robichaud:

Q. Are those cases dealt with directly by your Board? Do you deal with those cases individually or do you send a medical man to attend to those persons?

—A. They are examined in the district or by a travelling medical board of the Department of S.C.R., and when those medical reports are received by the Pensions Board in Ottawa an adjustment is made if the disability has increased to the extent which will warrant a pension.

By Mr. Caldwell:

Q. When these men are re-instated they are re-instated at the advanced pension and the payment they have received as a final payment is deducted from it?—A. Yes.

Q. They do not receive any other pension until the others are all absorbed?—A. Yes. The suggestion by ex-service men, at the foot of page 40 is to do away with lump sum payments for the future. The recommendation is on page 41, that the system of lump sum final payments be continued, with the modification recommended hereafter. Recommendation 18 on page 41, suggestion by ex-service men:

“Re-open final payments where error in estimating degree or duration of disability.

“That all cases of final payment be re-opened where the pensioner can show that in arriving at the amount offered him as final payment, duration or the degree of the disability was underestimated.”

The recommendation with regard to that is at the top of page 42, where the Commission makes no recommendation.

No. 19 is the next one, at page 42:

“Suggestion by ex-service men. Gradual deductions to refund lump sum payments.

That where, after final payment, the pension is derived, the absorption of the final payment should not be made at a rate greater than 50 per cent of the monthly pension.”

The recommendation is on the lower third of page 42, as follows:

“That provision be made so that in cases of final payment when pension is subsequently revived, the deductions from the current pensions to refund final payment previously made shall not exceed fifty per cent of the increase of pension, unless such increase is less than ten per cent.”

That was a point brought up by Mr. Caldwell a minute ago. For instance a man has received \$600 in final payment and afterwards his disability increases. He is examined, and the Board decides that his disability has increased and it is found he is entitled to \$20 a month pension at the higher rate, no pension under the present statute can be paid until the whole of the \$600 has been absorbed.

Q. It would be over two years?—A. It would be over two years, and the Board was quite unable to make any advance to the men in respect of their pension because of the prohibition in the statute. That worked hardship in a

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number of cases. For instance, where a man received \$600 in final payment in respect of some disability but was afterwards discovered to have tuberculosis, he would be entitled, if he was a married man to a pension of \$100 a month since he was discharged from the hospital, but having received, in respect of some other disability probably the sum of \$600 no pension, under the existing Statute, can be paid him for a period of six months and that of course, in a number of cases like that works a great hardship. It is not so important in the case of minor disabilities, where a man comes under the 14 per cent class. It is the limit of disability which will warrant final payment. Supposing he moves from the 14 per cent to the 20 per cent there is no particular hardship in that, but in the case I mentioned the man is subject to hardship when he has to wait six months. For this reason the recommendation is made that the deduction should be made gradually.

The next recommendation is on page 42.

"Suggestion by ex-service men: That pension should not be discontinued where the Pension Board has notified the pensioner of his option to accept final payment and has designated the disability as 'permanent' and the pensioner has elected to continue the pension."

The recommendation of the Commissioners is in the middle of page 43:

"That provision be made that in cases where the Pension Board has notified the pensioner of his option to accept a final pension in lieu of pension and has designated the disability as 'permanent' and the pensioner has elected to continue the pension, the latter shall not be discontinued without paying to the pensioner the amount of the final payment previously offered unless the amount which has been paid since September 1st, 1920, or since the date when an award of 14 per cent or under was made, whichever is later."

If I may make a comment on any recommendation, Mr. Chairman, that I believe was a most extraordinary recommendation. Here is the effect of it: When this section, with regard to final payments was introduced, thousands of cases were drawn in and they were divided into cases which we thought would last one year, others we thought would last two years, others that would last three years or over, bronchitis, or stiffness of the joint or something like that. They were all put in three classes and estimated by the officers of the Pension Board, the medical officers. The final payment in all these cases was offered on the basis of one year, two years or a three-year permanent disability. In a number of cases the man was offered, let us say, \$600, in respect of a ten per cent disability, which the Board said, in all probability, would be permanent. The man refused. He is called up for examination or voluntarily offers himself for examination. He may offer himself for examination when he thinks he is worse, or he may be called up because the Board thought that the disability, as a matter of fact, was not permanent and in a number of cases such men who were called up were found to have no disability whatever, and the suggestion is now that although they have not any disability and are not entitled to any pension whatsoever, that they should be paid \$600 or whatever sum would have been given to them, had they elected, at the time when it was considered that their disability was permanent. In other words, that they should be paid something which they are not entitled to on the ground that if they had accepted \$500 or \$600 they would have been so much in pocket, although they would have received something at that time which it would afterwards have been discovered they were not entitled to. In other words, the fact that the man is afterwards examined and found to have no disability does not work any hardship on him

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but simply means if he had taken the lump sum of money that he would have got something which he would otherwise not have been entitled to.

Q. I suppose the Royal Commission is going on the assumption that the Commission is not offering a man a lump sum of money unless there was something holding him at the time?—A. That is not the explanation because at the time the Board did offer the man a final payment he was suffering from something and the Board said, "We think it will be permanent," and as a matter of fact it was not permanent, and he may have drawn one year's pension, perhaps \$100 or less than \$100, and when he is examined he is found to have no disability and he gets no further pension, whereas if he was in a little different frame of mind and said, "I will take \$600," he would have had \$500, because under the Pensions Act he would not be entitled to it because he had no disability after the first year. The recommendation as to number 21, at the foot of page 44 is "none."

The next recommendation, at the foot of page 44, recommendation number 22.

"Pooling children's pensions. That where there is more than one child receiving pension the pension of such children be pooled and divided between or for, the children in such proportions as the Pensions Board may consider just." The recommendation is at the top of page 45.

"Recommendation of Commission re schedules A and B. That Schedules A and B be amended to provide that when there is more than one child the sum of the amounts payable to or for them for pension may, in the discretion of the Pensions Board, be distributed between such children equally or in such proportion as may be considered equitable under the circumstances.

I might say that is a very just and a very necessary amendment to the statute. At the present time if a woman is placing her children in two or three different homes or if the children are taken away from the woman or the woman is unable to care for them and they are placed in the different homes, the eldest child gets a larger pension than the youngest child although the youngest may be the one to require it.

Q. The younger child may be the one who may need much more care?—A. Yes. As a matter of fact when the widow is receiving a pension for her children she does apportion it all among them. That suggestion is really just, following out what is done in the household and authorized by the Pensions Board; where they are not in the household, to apportion it according to the requirements.

The next recommendation is on page 45:

"The suggestion by ex-service men that the present bonus paid in addition to the prescribed pension be made permanent."

The recommendation is at the foot of page 45:

"The Commission recommends that provision be made so that the present pension bonus will not be cancelled or reduced for at least five years."

Mr. HUMPHREY: Just before you go on to the next question I would like to express my own opinion in connection with that recommendation that Colonel Thompson has read. There will no doubt be time and opportunity given to discuss it at a later date, but has not that question practically been disposed of to a certain extent? Is not this Committee bound by a decision given by the present Minister of Soldiers' Re-establishment on behalf of the Government, that would have a certain effect on this Committee, that is, that the bonus would be made permanent?

The CHAIRMAN: As far as that is concerned the Committee does not legislate. The Committee simply recommends, expresses an opinion and then the House legislates. Therefore, the Committee is not bound by anything, as far as their recommendations are concerned. They are bound by everything as far as legislation is concerned because legislation can only be carried out through the House.

Mr. HUMPHREY: Then I would take it that it is within the powers of this Committee to go as far as they would like in respect to this particular recommendation of the Commission. They would not be bound to either adopt the recommendation of the Commission or the statements made by the Minister of Soldier Re-establishment. They can bring in any report to the House on this pension bonus.

The CHAIRMAN: Absolutely.

Mr. HUMPHREY: In that way I want to express my own opinion that I believe that in considering this question and also the advice or the suggestions of the Chairman of the Board of Pension Commissioners, it is a question that concerned all of our pensioners and I would like to put myself on record in connection with the reading of this recommendation that I believe there should be no limitation. The bonus should be made permanent in all cases eliminating all the suspense and uneasiness and unrest and feeling of uncertainty that there is throughout the country in that respect. I am merely stating that to clear up one or two questions that were not decided.

The CHAIRMAN: What you are saying now is perfectly in order, and this is one thing the Committee will be called upon to consider and which will be your duty, I might say, to bring before the Committee, in so far as it is your opinion, and you want this opinion to be on record.

Mr. HUMPHREY: The question may come up at a time fortunately or unfortunately when I will not be attending the meeting, and I would like it to be taken into consideration that these are my views, that the Committee should consider, after the questions have been under discussion, that Parliament, knowing the conditions as they exist throughout the country, should take into consideration the complete elimination of this pension bonus and establish it upon a permanent basis and carry that principle of our pensions out and establish our pensions upon a permanent basis, eliminating these frills and thrills that go with a man's pension, and the responsibility is upon the State and upon the country and a responsibility that the people of the country admit, and if we can take this into consideration, to establish our pensions upon as permanent a basis, not only with the bonus, as they affect pensions, but our whole pension question should be established upon an entirely permanent basis. I believe if that is done the work of this Committee will be more satisfactory to the returned men and satisfy the demands that, I believe, the people recognize, if it can be done in that way.

The CHAIRMAN: This surely will be taken into consideration by the Committee.

WITNESS: The next recommendation is at the bottom of page 45:

"That the table of disabilities be revised.

Schedule A of the Pension Act fixes the amount of money payable for any given percentage of disability. Any injury or disease which can be accurately described, such as total blindness, etc., have been rated as creating a certain fixed percentage of disability and this rating is contained in what is known as the table of disabilities which is authorized under Section 25 (2) of the Pension Act."

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The recommendation is at the bottom of page 48.

"The Commission is of the opinion that while no radical changes in the present table of disabilities is either indicated nor desirable, the necessary steps should be taken to examine and revise the Table of Disabilities in the light of the experience of the past six or seven years with special reference to matters hereinbefore discussed as well as any other matter which may appear to call for remedy."

I might say it does appear to me and I think the other members of the Board, without expressing an opinion as to whether leg amputations are properly recompensed or not—apart altogether from that question it does appear to the Board that there should be a graduated allowance in respect of wear and tear of clothing. I think that has never been properly taken into consideration.

By Mr. Caldwell:

Q. That is for amputation cases?—A. Not necessarily all amputation cases. I think wear and tear on clothing, where the amputation is of the upper middle thigh, would be greater than below the knee. That is a matter for consideration. I would suggest, Mr. Chairman, that you appoint a sub-committee, preferably the medical members of your Committee, to have a conference with Mr. Dobbs, the Chairman of the Amputation Association together with one or two of the medical advisers of the Pension Board. They might come to some arrangement which might be satisfactory to all concerned. It does appear to the Board, I might say, that there should be some allowance with regard to clothing. I am not discussing the question as to whether amputations are properly compensated or not, but as soon as the degree of the disability is fixed, with regard to the various types of amputation, over and above that there should be an allowance for a certain class of amputation.

By Mr. Caldwell:

Q. Are you suggesting this sub-committee with Mr. Dobbs and some of the medical men of your Board should go into the matter of the rating for different classes of amputation, as well as the Government?—A. I suggest this whole question be referred to them but I make particular comment as regards clothing, which I think ought to be allowed. The reason I suggested Mr. Dobbs was because he was the one who appeared before your Committee year after year, and it occurred to me he would be the one to present the case.

By Mr. Caldwell:

Q. Would this be the better plan, to ask the Amputation Association to name a representative to confer with the members of this Committee?—A. It might be.

The CHAIRMAN: You are asking that the Amputation Association should have their representative.

Mr. CALDWELL: Yes, the executive of the Amputation Association.

The CHAIRMAN: I think that would be a good idea. We will do that.

Witness retired.

Committee adjourned.

COMMITTEE ROOM 436,

HOUSE OF COMMONS,

TUESDAY, June 17th, 1924

The Special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers, met at 11.00 o'clock a.m. Mr. Denis, the Chairman, presiding.

Major E. FLEXMAN, called, sworn and examined.

By the Chairman:

Q. Now, Major Flexman, have you a statement to make to the Committee?
—A. Mr. Chairman and gentlemen: I have prepared a statement covering the Returned Soldiers' Insurance from the time of its inception up to the present time, which I will read:

INFORMATION RE: RETURNED SOLDIERS' INSURANCE FOR PARLIAMENTARY
COMMITTEE, 1924.

Policies of Returned Soldiers' Insurance are issued on authority of an Act called the Returned Soldiers' Insurance Act which came into effect on September 1, 1920. This Act was further amended by amendments of 1921, 1922, and 1923 and the policies issued thereunder are also governed by certain regulations made by virtue of powers given under Section 17 of the original Act.

The Minister in charge of the Act is the Minister of Finance. The Board of Pension Commissioners act as agent for the Minister of Finance and have charge of all judicial matters. The Department of Soldiers' Civil Re-establishment have charge of the administration.

The main features of the original act of September 1920, are:

- (1) Policies will be accepted irrespective of risk no medical examination being required.
- (2) Applications for insurance were limited to persons domiciled and resident in Canada when making application for insurance.
- (3) No more than one-fifth of the face value of the policy could be paid to the beneficiary at death.
- (4) The last date for making application for insurance was September 1, 1922. When pension is awarded to a dependent the pension is capitalized and deducted from the face value of the policy. In effect, no insurance is payable but the premiums are returned with interest at 4 per cent compounded annually.

The Amendment of 1921 notified the provisions of the original act along the following lines:

- (1) The restriction regarding residence when making application for insurance was removed.
- (2) It was permitted to pay up to a maximum of \$1,000 at death.
- (3) Privilege was given to the unmarried policy holder to name an alternate beneficiary who would become the beneficiary if he died unmarried.

[Major Flexman.]

- (4) Section 10 was amended to provide that pensions paid by Foreign Governments or the Imperial Government, would be capitalized and deducted from the face value of the policy in the same way as pensions paid by the Canadian Government.

The Amendment of 1922.

- (1) It was realized in administering the Act that if applications were to be continued to be accepted from persons, irrespective of their conditions of health, without medical examination, that the liability of the Country may become of enormous proportions. An Amendment, therefore, was placed upon the Statutes providing for a restriction in the class of risk. This amendment became effective in July, 1922 and provided: That in the case of single men, seriously ill, cases would be refused. In the case of married men, or men with dependents, dangerously ill cases of a non-pensionable character could be refused after January 1, 1923.
- (a) The period for making application for insurance was extended to September, 1923, an extension of one year. Section 10 of the original act was amended to permit payment, when pension was awarded to widows or children of the insured, of an amount of \$500 of insurance, provided the policy had been in force for six months or more.

An amendment in respect of the Returned Soldiers' Insurance Act came into effect in 1923.

This amendment was passed with a view to legalizing payment of certain claims which had been refused prior to July, 1922 when the applicant for insurance had some one immediately dependent upon him for support and when such applicant had lived for a sufficient length of time to allow of the application being approved by the proper officer of the Department.

Valuation and Expected Loss

It is difficult to estimate with any degree of certainty, the loss which may occur under the Returned Soldiers' Insurance Act. There is no mortality experience with subnormal risks such as are covered under this Act. However, valuations have been made on the mortality already experienced and any loss which might be made will be the maximum.

The net deficit as at March 31, 1923 shown on the mortality already experienced is \$4,050,079.10. This is on business in force of \$40,960,230. The loss of course, would be very much higher as the business in force is very much greater at the present time. As an approximate estimate, the loss would be in the vicinity of \$7,000,000. However, this should not be taken in any sense as final or exact. The mortality experience is improving each year.

On August 31, 1921, the ratio of actual loss to be expected was 5. On March 31, 1922, it was 4.71. On March 31, 1923, it was 2.20. The business written up since that date could be expected to be a better class of risk and the mortality experience would quite probably be reduced on the insurance in force at present. It will, however, be a few years before an accurate value can be placed upon the loss sustained or to be sustained.

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The following statistical information is given to December 31, 1923:

	<i>Number</i>	<i>Amount</i>
Policies issued.. . . .	33,580	\$82,801,500 00
Insurance in force.. . . .	30,649	75,393,000 00
Surrendered.. . . .	124	386,000 00
Lapsed.. . . .	6,466	15,405,500 00
Re-instated.. . . .	4,268	10,244,000 00
Net lapse.. . . .	2,198	5,161,500 00
Reduced paid up policies.. . . .	8	40,000 00
Policies on extended terms.. . . .	132	371,000 00
Total value of death claims.. . . .	729	2,253,000 00
Settled by cash payment or annuity	656	1,652,220 17
Insurance cancelled by Sec. 10, R.S. 1	158	419,779 83
Approximate annual income.. . . .	....	1,390,000 00
Policies cancelled for concealment of material facts.. . . .	4	5,000 00
Claims admitted under amendment of 1923.. . . .	10	26,500 00
Applications refused under amend- ment of 1922.. . . .	321	722,500 00
Applications received after Septem- ber, 1923, and refused.. . . .	646	....

By Mr. Caldwell:

Q. When you speak of "policies surrendered" what do you mean?—A. Policies which have been given up. They surrender their policy and get the cash equivalent.

Q. Get a return of the premium, plus the interest?—A. No, they get the estimated value of the policy at that time, taking into consideration the risk that is incurred.

Q. And policies that lapse are those on which they fail to make the payments?—A. Yes, that is right.

Q. Did I understand you to say your death claims under this Insurance Act amounted to a little over \$2,000,000?—A. \$2,253,000.

Q. Did I understand at another point that you said the deficit was \$4,000,000?—A. That is the estimated deficit over the period; there has been no deficit so far, because our previous income has been larger than the cost.

Q. What is the surplus, then, at the present time?—A. I do not know whether I have that figure or not.

Q. It must be quite a surplus?—A. Yes, there is quite a surplus at the present time. It is estimated that we will not require any money on account of claims for a period of probably ten years, that the income will take care of it.

Q. So you base your deficit for the entire period? What basis is used?—A. It is an estimate made by the Department of Insurance covering the premium income and the total payments that will have to be made.

Q. That is, you consider the risk is greater on account of them not having medical examination? Your premium rates are the same as the old line insurance companies?—A. Very much the same.

Q. Only you take them without any medical examination?—A. Yes, and instead of making a profit out of it, we will make a loss.

Q. That is your estimate. What have you to base that estimate on, what is the base for an estimate; what justification is there for that estimate?—A. The justification of the mortality.

Q. That is, the percentage of your mortality to-day?—A. Yes.

[Major Flexman.]

Q. That is what you are basing it on?—A. Yes. When we started off the mortality was five to one; now it has been reduced to 2.2.

Q. Just make that a little clearer.—A. In a certain period of time an ordinary company would expect one death, and we had five in that period. Now it is reduced to 2.2.

Q. Is it not fair to suppose that that percentage would be much higher in the early stages than later on? I understand that there are no further policies issued under this Act. That is, you issue a policy to a man, and he is very ill and has only a short time to live. These men are practically all dead now, and therefore you are all clear of these "speedy" risks, if you might call them that.—A. Yes.

Q. So it is fair to suppose that your risks are not as great on the policies you carry now as they were on those who have died in the past two years?—A. No, and the probability is that they will improve over a certain period of years anyway.

By Mr. Robinson:

Q. In the cases of lapsed policies, is there any return of premiums paid, or anything of that kind, or does the man lose all he has paid in?—A. The man, I think, loses.

Mr. WHITE: If his policy has been in force for two years he does not lose.

Mr. CALDWELL: It will carry itself for a certain length of time, so he gets the benefit of what he has paid in.

Mr. WHITE: The non-forfeit privilege is the same as in the other companies.

By Mr. Robinson:

Q. Suppose a man is compelled, through unemployment, to discontinue his premiums. Is there any provision made for that?—A. There is no provision to cover that.

By Mr. Caldwell:

Q. The pensionable soldier who has insurance has his premium deducted from his pension?—A. Only at his own request.

Q. That is, he can draw his pension and if his payments are not made, the Board does not retain his payments out of the pension?—A. No, although he can do that if he wishes. It is done as a matter of convenience to the man.

Q. Did you give us your surplus at the present time?—A. No, but I will get that. Mr. White tells me it is just over \$2,000,000 as of March 31.

Q. And your income on that is estimated at a million and something a year?—A. I have that figure here.

Q. I see an item here, "Insurance cancelled by section 10, R.S.I., 158". Does that mean you cancelled policies in effect when the amendments were passed in 1922?—A. No. It means if the beneficiary died, and the dependents were entitled to pension, the policy would be cancelled; they would be paid the pension and the premium instead of the insurance.

Q. It does not mean you cancelled any policies in force on account of the amendments passed in 1922?—A. No.

By Miss McPhail:

Q. What is the meaning of "settled by cash payment or annuities"?—A. That is the settling of the claims. It might be a cash payment; if the insurance were \$1,000, they can pay the whole thing in cash. If it is over that it is payable in an annuity form, spread over a period of five years.

By Hon. Mr. Sinclair:

Q. What became of the others, the difference between that number and the number of death claims? Were they cancelled?

[Major Flexman.]

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Mr. CALDWELL: Those amendments of 1922 certainly shut out quite a number of men who would have got insurance if it had not been for those amendments.

The WITNESS: Included in that is the 158 that were cancelled by section 10 of the R.S.I. There are still a few remaining to be settled, you see. In some cases of these 729, they appear twice. A part is paid by \$500 cash payments. For instance, if a beneficiary dies and they are not entitled to the payment of the claim, they get \$500 anyway. Then they draw pension from that time on. At one time they got nothing, but under an amendment made, I think, in 1922, it is provided that they get \$500 anyway.

By Mr. Caldwell:

Q. What is the meaning of this item, "Claims admitted under Amendment of 1923.....10"?—A. The amendment of 1923 provided that certain cases should be reviewed.

Q. Should be reviewed?—A. Yes.

Q. What did they consist of?—A. Cases that had been turned down prior to July, 1922.

Q. Their applications were in, but they were not granted?—A. Their applications were in.

Q. That was before the amendment was made? That was by regulation, before the amendment was passed?—A. Yes, they were turned down before the amendment was passed, and they were reviewed, and it was found there were, I think, 76 cases, of which 10 had dependents, and they were paid.

Q. Why were these 76 turned down? There would be no change in the Act?—A. Of course, I am not very well prepared to explain that.

Q. There had been a change in the regulation, but not in the Act?—A. No. These applications were refused by the Board of Pension Commissioners, who have the acceptance and refusal of the claims. The Department simply carries out the work from that time on.

Q. Does the Board of Pension Commissioners decide who shall have insurance?—A. Yes, under the Act they are the responsible people.

Q. Under what authority did they refuse these, when the Act allowed them, because there would be no change in the Act? This class of pensioners had been granted insurance previous to that. Under what authority did the Board of Pension Commissioners refuse insurance to these men?—A. I do not know the enabling authority; it was probably done by regulation.

By Mr. Arthurs:

Q. That covers the cases where a man died before the policy was issued, does it not?—A. Yes. This is also referred to in the report of the Royal Commission.

By Mr. Caldwell:

Q. Then we gather, Mr. Flexman, there were 10 of these cases that had been refused insurance, which were allowed later after the amendment was made; they were refused when the Act was wide open, but when the amendments restricted the granting of insurance quite materially, they were allowed?—A. Yes.

Q. But even after these restrictions, there were 10 of these cases allowed by the Board of Pension Commissioners which had been refused when the Act was wider?—A. Yes, there were 10 allowed in.

Q. Ten out of these 76 which were refused when the Act was quite wide open?—A. Actually 76 had been turned down prior to the amendments coming into force, of which 10 had dependents who became eligible under the amendments, for insurance.

[Major Flexman.]

Q. And these 76 were turned down without any legislative authority whatever. They were in a class that had been granted insurance previous to that?—
A. I believe that is the case.

By Mr. Humphrey:

Q. Were there certain regulations put out restricting these applications, by the Board of Pension Commissioners?—A. I do not think there were any put out; I think that was probably a policy which they adopted in dealing with the applications.

Q. It appears to me that those were regulations put out by the Board of Pension Commissioners, and I am inclined to think that if this Committee would bring in regulations tying up the Board of Pension Commissioners, we would be doing something worth while. It does not appear to me right that when laws are passed and put upon the statutes governing these matters, the Board of Pension Commissioners or any other Board has the right to put out regulations restricting the enforcement of these statutes.

Mr. CALDWELL: Or absolutely contrary to the statutes.

Mr. HUMPHREY: I would be in favour of putting something through absolutely tying their hands, if it is possible to do so. It is getting to be a continual round of merriment here, putting out regulations of this kind.

Mr. CALDWELL: I think we should see that the regulations did not conflict with the Act, at least. You can make regulations in order to carry on your work, no doubt, but I think very serious objection should be taken to a regulation which is an absolute contradiction to an Act passed by Parliament, and this is one of them.

The CHAIRMAN: Surely no such regulations can be made.

Mr. CALDWELL: The practice was carried out, anyway. We have an admission that 76 cases were refused.

Mr. SPEAKMAN: Is it not the fact that these regulations carry out the interpretation of the Board of Pension Commissioners as to the meaning of the Act, which may not agree with the interpretation of the Committee or anyone else?

The CHAIRMAN: Regulations are always made to carry out the Act itself, but not to conflict with the Act. I am just saying this in passing, but this matter might be examined, and if any member of the Committee would point out where regulations have been made that have the effect of modifying or changing or defeating the Act, surely this should be obviated, but I imagine these regulations would be wholly illegal, if they were of that character.

Mr. SPEAKMAN: The trouble mainly is that the Act as interpreted by the Board of Pension Commissioners, is sometimes not interpreted with the meaning intended to be given it by the Committee or Parliament in passing the Act, and in that case the Act would have to be amended in order that it could not be misinterpreted.

The WITNESS: It was with a view to remedying these cases that the 76 were reviewed.

Mr. CALDWELL: I submit that this Act should not be interpreted to refuse these men insurance, because the Act simply states that the returned soldier is entitled to insurance without medical examination, and then the Board of Pension Commissioners decides that if men were in a certain physical condition they were not entitled to insurance. The Act says that every returned soldier, if he is alive, shall have insurance without any medical examination.

The WITNESS: Major Topp was in charge of the insurance at that time, and he said he would be very glad to make a statement about that. He could probably give you some information as to what took place.

[Major Flexman.]

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Mr. CALDWELL: Whether the Act was wise or not I will not say; there were amendments made later on, and under these amendments there were 10 cases allowed which were refused when the Act was wide open.

Mr. ARTHURS: I think it was thoroughly gone into at that time. In the great majority of these cases the man had died previous to the receipt of the application by the Board, or previous to the issuing of the policy. The position of the Committee at that time, if I remember rightly, was that in all cases where the man had died subsequent to the receipt of the policy, any subsequent delay on the part of the Department should not have anything to do with it. In subsequent cases, where the application was received later, the law was not changed. That is my memory of it.

By the Chairman:

Q. Major Flexman, I should like to ask a question. Is it in your knowledge that the Board of Pension Commissioners ever passed any regulations which, in your opinion, had the effect of modifying the law, or had the effect of preventing you from applying the law as it existed at the time these regulations were made? Do you understand my question?—A. I do not quite understand.

The CHAIRMAN: Will the reporter please read the question? (On the direction of the Chairman the above question was read the witness by the reporter.)

The WITNESS: I do not know of any regulation that they passed. I would also like to say that in connection with the question in regard to whether they passed a regulation which would prohibit us carrying out the law as the law stands at present, the question of deciding who is eligible for insurance lay, not with the Department of Soldiers' Civil Re-establishment, but with the Board of Pension Commissioners themselves, and their decision as to who should be granted a policy was always final.

By the Chairman:

Q. So it is not at all a matter of the Board of Pension Commissioners passing a regulation having the effect of defeating this law, but it is simply a matter of the interpretation which is placed upon the law by the Board of Pension Commissioners themselves? Is that it?—A. No, I do not think that is quite it, either. I think the situation is this, that they found there were a number of applications being made by men who were at the point of death, and I think they came to the conclusion that it was going to cost the country a whole lot of money if they accepted these applications. I think that was the attitude; I am not prepared to say definitely, but I think it was so.

By Mr. Humphrey:

Q. With regard to the fact that the Insurance Act was so framed as to apply to these cases. Was it not a fact that the Act, as it was first intended, was to cover such cases as you mention?—A. Yes, I would interpret it so.

Q. Then why is it the Board of Pension Commissioners should bring in regulations taking away the effect that this Committee and Parliament intended that Act to have?

The CHAIRMAN: Perhaps we had better examine the Board of Pension Commissioners themselves on that.

The WITNESS: I think that would be better.

The CHAIRMAN: They would be in a better position to answer a question of this kind.

Mr. HUMPHREY: I think it is very good that the Committee should get the views of the Insurance Department on this. They are the ones handling the insurance, and I think it is only fair to get their point of view on it.

[Major Flexman.]

The CHAIRMAN: Very well, but in the meantime I will take note of the fact that the Board of Pension Commissioners is to be examined on that.

By Mr. Caldwell:

Q. Might I ask a question along this line? Up until a certain time this class of case was granted insurance without question?—A. Yes.

Q. Up to what time was this class of pensioner granted insurance without question?—A. Up to possibly some time in 1921.

Q. Then without any change in the Insurance Act whatever, the practice was changed granting insurance to certain soldiers?—A. Yes, they became stricter.

Q. Without any change in the Act?—A. Without any change in the Act.

Q. The interpretation or the practice being carried on by the same Board who carried it on previous to this time in 1921?—A. Yes, that is so.

Q. There was no change in authority; the same board handled it?—A. No change in the Act at all.

Q. Nor in the board administering the Act?—A. In the personnel of the board? Not at that period, I think.

By Mr. Arthurs:

Q. There was a provision in the law whereby the Minister of Justice had certain jurisdiction and could refuse certain applications?—A. The Minister of Finance.

Q. Was that authority ever exercised, to your knowledge?—A. Yes, I think it was; I think I have a reference here to that. The Minister of Finance never directly exercised that authority, but he did it by the issuing of certain instructions to the Board of Pension Commissioners to enable them to exercise that authority.

Q. That is what I am trying to get at. Did these instructions cover in the main the change in policy on the part of the Board of Pension Commissioners?—A. Yes, I would say to a large extent they did.

Q. Then their action was not taken upon the statute, but a clause in the original Act which gave the Department of Finance certain powers?—A. Yes.

Q. And the policy was dictated or guided by the Department of Finance, the change in policy, as regards these policies?—A. It would be authorized by the Minister of Finance.

Q. That would practically mean directed by him, would it not?—A. I am not quite clear what those instructions were. I will have to go over them again.

Q. I just mean generally speaking, not literally. In general, that is your opinion, that the change of policy was under instructions or direction of the Department of Finance?—A. No, I do not think I would go as far as that.

Q. Can you supply this Committee with a copy of the instructions issued by the Department of Finance?—A. Yes, I can do that.

Mr. CALDWELL: I think we had better not have any general statement or any guess work about it.

The WITNESS: You are asking me questions in regard to matters over which I have not had jurisdiction, and perhaps I am not as well posted as I should be.

Mr. ROBINSON: Is it fair to the witness to ask him to condemn some other department?

Mr. ARTHURS: We are just asking him as a matter of general knowledge.

Mr. CALDWELL: I think if there is such a regulation we had better have that, rather than any vague reference to it, or anything we are not sure of. I

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do not think we should put anything on record that we are not sure of, and if there is a regulation issued we had better have it, and that will be definite.

The WITNESS: The history of this, I am not as familiar with as the Board of Pension Commissioners would be.

By Mr. Humphrey:

Q. At the present time, the administration of these insurance claims is in the hands of the Board of Pension Commissioners, the same as it was a year ago?—A. The same as a year ago, yes.

Q. And has there been any instruction from the Minister of Finance or any change in the regulations within the last year in respect to the administration of this Act, that you know of?—A. Not that I know of. You see, the period expired for accepted applications—.

Q. In 1923?—A. September, 1923, and since that time, of course, we have had no new business.

By Mr. Caldwell:

Q. What was the time set first, 1922, was it not?—A. Yes, 1922, and then extended for a year.

By Mr. Knox:

Q. What is the policy in regard to receiving applications for insurance? I mean, in the case of these people who were refused, some 76 of them. Do I understand that it counts from the time the application is sent in, or the time the application is received?—A. From the time the application is accepted. You mean the general insurance? The application comes in, and the policy goes in effect from the time the application is accepted. In other words, it has to go before the Board of Pension Commissioners and be accepted, before it comes into force.

Q. In case the man died in the meantime?—A. It becomes a matter for the Board of Pension Commissioners to decide whether that policy should be in effect or not.

Q. It is under their jurisdiction?—A. Yes, under their jurisdiction.

Q. Whether it should count from the time it was sent in or the time it was received?—A. Yes. In all cases, these claims would be referred to the Board of Pension Commissioners, or rather these applications, even if the man had died, as far as the Department is concerned. If we received an application now it would have to go before the Board of Pension Commissioners anyway.

Q. Let me make myself clear, because this is a special case I have in mind. The application was sent in—I have not the letter with me, but it was in the end of December, and it was evidently in the holiday season when it reached Ottawa. The application was refused, because the man had died before it was accepted.—A. Yes, that might be.

Q. The application was refused, and what I want to find out is whether that was at the discretion of the Board of Pension Commissioners.—A. That is at the discretion of the Board of Pension Commissioners.

Q. It is quite within their power to grant that insurance, because there is ample proof that the application was sent in, probably a week, I think, before the man died.—A. On what date was that application made?

Q. I cannot give you the exact dates.—A. You see, under the subsequent amendments, the amendment of July, 1922, the man might be refused under certain conditions.

Q. It was after that, I know.—A. Then under the Act he could be refused, you see, under certain conditions.

Q. He was a married man, and left a widow and three children; that is the unfortunate part of it.

By Mr. Speakman:

Q. Is it not the usual practice under the present conditions that if an application is received which would have been accepted if the man had lived it would be considered as accepted? In other words, if an application is received of such a nature that had the man lived until it was reviewed, it would have been accepted, that these conditions are taken into account?—A. You mean what is the practice or the law?

Q. What is the practice?—A. The practice of the Board of Pension Commissioners has been not to accept these, unless sufficient time has elapsed to allow them to deal with the application.

Q. Even if the case were such that had sufficient time elapsed, the application was an acceptable one?—A. When you say that, do you mean a certain period, like seven days or fourteen days?

Q. No, but you say that if a death ensues between the receipt of the application and its final acceptance, that application would be refused under the present rules.—A. Yes.

Q. Even if the case were such that had it come up for acceptance before the death of the applicant, it would have been accepted?—A. Yes, I think I am right in saying that is the practice.

Q. In other words, it is not reviewed on its merits, if the applicant has died before it comes up?—A. The practice has been, I think, to refuse them.

Q. The fact of his death is sufficient?—A. Yes.

By Mr. Caldwell:

Q. If an applicant had lived two weeks longer, he might have got his insurance all right?—A. Quite so.

By the Chairman:

Q. From what you have said, are the members of the Committee to understand that under the original Act, that is the Act of 1920, insurance was issued irrespective whatsoever of the physical condition of the applicant? In other words, a man might have been dying or condemned to death by his doctors, and yet he would be entitled to insurance. Is that what you mean?—A. Yes.

Q. And is that the way the Act was carried out in 1920 and 1921?—A. I think so. At that time the operations of the Insurance Act were entirely under the Board of Pension Commissioners, prior to the amalgamation of the two Departments. The Act came into force before the amalgamation took place.

Q. So in that case, if a returned soldier were to die, and he wanted to provide something for his family or for anybody else, all his family had to do was to file an application any time before the death and get the policy?—A. Yes, he was entitled to that.

Q. Get the benefit of the policy after his death?—A. Yes, that is so.

By Mr. Humphrey:

Q. And just carrying that on a little further, that was the way the Act was administered up to the time that certain regulations were put into effect, putting restrictions on that way of carrying on the Act?—A. Yes; I believe it was administered in that way until some time in 1921.

Q. Do you remember the approximate date when certain restrictions were put into effect by regulation?—A. No, I do not know of my own knowledge. I think it started in 1921.

By Mr. Caldwell:

Q. A change was made in practice before the amendments to the Act. I was on the committee that recommended this Insurance Act, and we had a great deal of evidence on the question, and the purpose of this Act was to provide for

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returned soldiers who were not getting any pension, and who could not get insurance from the other insurance companies, who had certain disabilities due to war service, and were not pensionable. A man would come back in a condition of health not as good as when he went away, but still he would not be pensionable. This Act was supposed to provide for a man who could not get insurance from the old line companies and who was not pensionable. In the Act, it provided that if a man died, and he was pensionable, his dependents would not get the insurance, but it was thought these men were entitled to it at the expense of the country. The first proposition was this, that the insurance should be placed with old line insurance companies, and they would not be taken at the usual rates, but the Government would pay the excess premium over the usual rate. We thought that was not a good suggestion, and we thought the Government should take this in its own name and share all the risk. We did not propose to pay any profit to the old companies on account of these men. The thought of the Committee was that even if a man were very near death, and he was not pensionable, he was entitled to this. This Act was passed with that end in view, and I think that is more or less defeated by the change in procedure about the end of 1920, without the authorization of legislation. If Parliament sees fit to amend an Act and change it, it is all right, but I do not think any Board that is not responsible to the people has a right to change the practice and administration of an Act without authority from Parliament. If the Finance Minister has that authority and exercised it, we want to know about it. There was a change in the administration of the Act without authority from Parliament, at least, and it has never been made clear either to Parliament or the Pension Committee, on whose authority this change was made.

The WITNESS: I think it was made under these two clauses, clause 13 of the Act, which says, "The Minister may refuse to enter into an insurance contract in any case where there are, in his opinion, sufficient grounds for his refusing."

By Mr. Caldwell:

Q. And these were the grounds, that if the man met his death through misconduct or anything of that kind, he would not be entitled to insurance, but the Committee considered that it would be a very extreme case which would not be entitled to insurance?—A. And then there is Section 15, which says, "No medical examination or other evidence of insurability shall be required in respect of any contract issued under this Act: Provided, however, that the Minister may, for the purpose of determining whether he shall refuse to enter into a contract of insurance in any case under the provisions of section thirteen of this Act, require such medical examination or other evidence of insurability of the insured as he may deem necessary."

Q. Yes, that would apply in cases of misconduct or suicide, or anything of that kind?—A. Yes; so the Act did provide a loophole for refusing.

Mr. C. GRANT MACNEILL: May I have the privilege of asking a couple of questions?

The CHAIRMAN: Certainly.

By Mr. MacNeill:

Q. Major Flexman, are you familiar with the findings of the Royal Commission on this matter?—A. I have read them over.

Q. Was it not found by the Royal Commission that in certain categories of cases the Board had exceeded the authority conferred upon it by the Minister and by Parliament?—A. I do not know. I think I would want to refresh my memory before answering that.

[Major Flexman.]

Q. Was it not largely as a result of the recommendation of the Ralston Commission that certain amendments were introduced in the House of Commons in the session of 1923?—A. I would judge so, yes.

Q. And was it not as a result of these amendments that 10 cases were accepted that had formerly been rejected?—A. Yes.

Q. Would that not make the point that in certain categories of cases the Board had exceeded the authority conferred upon it, under the several sections you have quoted?—A. Why do you want me to say they have exceeded their authority? I am not prepared to say that offhand.

Q. I am merely referring to the findings of the Commission.—A. It is some time since I read them.

Q. This is my point. Is it not true that the findings of the Royal Commission were not published until after the amendments of 1922 had been made effective?—A. I do not remember the date of the publication of the findings.

Q. It was some time in 1923, was it not, during the session of 1923?—A. Yes.

Q. Then, in the event that it could be proved that any injustice had been done to any of these cases included in the 321 which you have listed here, would there be sufficient information on file in your department to secure justice for any which may have been dealt with with undue severity?—A. We, of course, have a record of all these cases. I imagine it would be possible to get further information in regard to them, yes.

Q. And the balance of the 76 that were not awarded?—A. We have information regarding those.

By Mr. Humphrey:

Q. Then I would take it that these 646 do not come within the law in any way?—A. No.

By Mr. MacNeill:

Q. Were they refused simply because they were too late?—A. Too late. There was no provision made under the Act to deal with them at all.

By Mr. Caldwell:

Q. Are you still getting applications?—A. No, not now.

MR. HUMPHREY: May I have the privilege of asking a question in connection with a special case in which this Committee is interested? It would only take a minute, while the Major is here.

THE CHAIRMAN: Yes, go ahead.

By Mr. Humphrey:

Q. Are you familiar with the details of adjustment in regard to the payment of insurance and pension to the beneficiaries of Percy G. White?—A. Mr. White informs me that pension was paid in this case and \$500 initial payment, which is provided under the Act. Insurance would not, therefore, be paid.

Q. Just another question. On what grounds were the deductions made from the pension or insurance to the son as well as to the widow? There are two parties concerned in that, the son and the widow?—A. The pension would be awarded on behalf of the son, as well as the widow.

Q. Could you give any explanation of what the grounds were for the deductions made from the insurance?—A. Insurance is not payable under these circumstances, except the initial payment of \$500 and the return of premiums in excess of what would have to be paid for the \$500. Mr. White tells me that in this case insurance was granted first and then pension was afterwards awarded, and probably the deductions that you are referring to are the deductions from

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pension until the amount of insurance had been recovered, except for that \$500. Would you like me to give you a review of this case from the files?

Q. No, I do not think it is necessary now.

By Mr. Caldwell:

Q. What amount of pension would a man get when his insurance would not be paid? I am not just clear on that, although I was here when the amendments were made. If a man is getting any pension at all, is his insurance not paid, or is it up to a certain amount?—A. It is the capitalized amount of the pension, but in actual effect it is larger than the insurance.

Q. If it is not larger than the insurance, he gets the insurance?—A. He gets the balance of the insurance.

Q. And if he does not get the insurance he gets the return of the premium and four per cent interest, in addition to his pension?—A. Yes.

Mr. ARTHURS: And \$500 extra.

By Mr. Caldwell:

Q. And \$500 payment of insurance besides?—A. His widow gets the \$500.

Q. And his pension?—A. And his pension.

Q. And the return of the premium in excess of the \$500?—A. Yes, and interest at 4 per cent.

By Mr. Speakman:

Q. I notice of the 6,000 cases that lapsed, 4,000 were reinstated. During what period is reinstatement allowed, after the lapse of the policy?—A. After they have been in force two years; within two years from the date of lapse they can be reinstated, provided they pay the back premiums.

By Mr. Caldwell:

Q. Within two years?—A. Yes.

Q. Without medical examination?—A. They may be called upon for medical examination.

Q. When they are reinstated?—A. Yes.

Q. How long does the premium have to be in arrears before it is considered lapsed?—A. One month.

Q. Payable in advance?—A. Payable in advance.

Q. When do you figure them from? We will say this payment is due on the first of June, for June?—A. It actually takes effect about the 15th of August.

Q. Supposing the payment is not made on the 1st of June, for June, when would that policy lapse?—A. It would ordinarily lapse on the 1st of August, but due to the fact that we are receiving premiums throughout the country in our local offices, the actual lapsing does not take place until about the 15th of August; that gives them about six weeks.

By Mr. Humphrey:

Q. In connection with these lapsed cases, were there any rejected through medical examination?—A. I do not remember any.

Q. No rejections?—A. If there have been I will send you them; I do not think there have been.

By Mr. Caldwell:

Q. Does the Act require medical examination to reinstate a man after his policy has lapsed?

Mr. WHITE: The regulations do.

Mr. CALDWELL: But in the Act? I do not think the reinstatement is covered in the Act at all, is it?

Mr. WHITE: No.

Mr. HUMPHREY: I was always of the opinion that there was no medical examination to be gone through at any time.

The WITNESS: Here is the regulation made under the Act and embodied in the policy. It reads as follows:

"If the policy lapses for non-payment of premiums and has not been surrendered for paid-up insurance or cash surrender value, or if the automatic extension period herein provided for has not expired, the insured may with the consent of the Board, and after such medical examination as the Board may deem necessary reinstate the policy at any time within two years from date of lapse by payment of the arrears of premiums with interest thereon at 6 per cent per annum compounded annually."

By Mr. Caldwell:

Q. What does the Act say about that?

By Mr. Humphrey:

Q. May I ask this question as an illustration? If I took out an insurance policy under the Insurance Act, it would not be necessary for me to undergo a medical examination?—A. No.

Q. Under the Act?—A. No.

Q. If I allowed my policy to lapse, and then I asked for it to be reinstated, under the regulations that are put out I would have to be examined?—A. Yes, at the discretion of the Board.

By Mr. Caldwell:

Q. And although you might be in as good physical condition, or possibly in better condition than when the policy was issued, you could be refused the privilege of paying your arrears and going on with your insurance, without medical examination?—A. I think in all probability he would be allowed, if that were the case. The regulation says he must have a medical examination, but that does not mean his policy would be refused.

By Mr. Humphrey:

Q. It may not be a fair question to ask you here, because you were not in charge of the Department at the time of these regulations going into effect, but could you give the Committee any idea why this regulation was put into effect, when the original Act did not require a medical examination?—A. No, I am not in a position to do that, I am afraid. The Committee could get that information elsewhere, I think.

The CHAIRMAN: I might point out this proposition to Mr. Humphrey. Supposing a man has abandoned his policy, he does not want to be insured any more, and he lets it lapse. He lets one, two, or three years pass, but after two years it is found that this man is going to die very shortly. Then it would be perhaps unjust to allow him, just after he had decided two years previously not to be insured any more because he did not want to pay the premium, to permit him two years afterwards on the eve of death, to say, "Now, I want to be insured again; give me insurance, because I am going to die".

By Mr. Knox:

Q. Did I not understand the witness to say it was considered lapsed after the arrears of one month's premium?—A. Yes, but he has the privilege of reinstating it within two years.

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Q. Could you easily imagine a man neglecting to make his payments and finding himself under the obligation of having a medical examination, and then probably losing his insurance policy?—A. The majority of these men do not have a medical examination when they are reinstated.

By the Chairman:

Q. I suppose if one were dying a medical examination would take place? —A. If they had any reason to believe there was cause for examination, I think they would probably have one.

By Mr. Caldwell:

Q. I have a special case in mind of a man whose pension was cut off two or three months ago, and he is appealing it to the Appeal Board. He was paying his premiums out of his pension, which was very little, and he is totally unable to make his insurance payments now, and I believe the Department has been carrying it for two months, but it would be lapsed now, and he is appealing the case.—A. If there is no pension the Department cannot pay it.

Q. No, not for any length of time. You can see where a real hardship would be imposed, where that man could not get insurance because he cannot stand a medical examination. He is appealing his case now; his pension was cut off two or three months ago, and by the time his appeal is through, if he should get into a position where he can pay his premium, he will have to have a medical examination and he could not stand one. I am well convinced that he could not get insurance from an old line company, and I doubt whether he could from the Board on a medical examination.

Mr. HUMPHREY: I do not know that it would have any particular bearing at the present date on account of the fact that the time limit for taking out this insurance has expired, but I am inclined to think that there would be nothing out of the way if we had the regulations regarding that insurance, for the information of the Committee. May I ask if the Committee could have these regulations embodied in the report of the proceedings?

The WITNESS: I will have them sent to you.

Mr. CALDWELL: I think we might have these embodied in the proceedings.

The CHAIRMAN: Very well.

The witness retired.

The CHAIRMAN: The Committee will now inquire into the activities of the Federal Appeal Board. I shall call upon Major C. B. Topp who was secretary of the Board, who will kindly make a statement and also make what recommendations he may have.

Major C. B. TOPP sworn and examined.

By Mr. Caldwell:

Q. Possibly the witness would give us his official position at the present time. I think that is usual.—A. I am secretary of the Federal Appeal Board.

By the Chairman:

Q. And have been ever since the Board was instituted?—A. Yes.

By Mr. Caldwell:

Q. And previous to that?—A. Previous to that I was in charge of the soldiers' insurance administration. Before that again I was with the Board of

Pension Commissioners. I have been connected with pension work for some years. The institution of appeals apart from the Board of Pension Commissioners is quite a new departure in Canadian pension law. Really, there is only one question of moment before the Committee at the present time, I think. That is the question of the jurisdiction of the Board under the present legislation.

Q. Of the Appeal Board?—A. The Appeal Board, yes. Possibly I might begin by submitting a statement of the work which has already been accomplished by the Board.

Q. In speaking of the Board, you mean the Appeal Board? We have the Pension Board and the Appeal Board.—A. When I speak of the Board I mean the Federal Appeal Board. The Federal Appeal Board was appointed on August 17, 1923. It actually began functioning in October, 1923. Up to the present time we have actually received 2,371 appeals. This information is contained on the last page of a memorandum which was distributed, I think, to each member of the Committee. Of a total of 2,371, 535 individual cases have actually been heard by the Appeal Board. In 100 of these cases a re-appeal has been heard, making a total of 635. There is a provision for appeal against decisions of the Board of Pension Commissioners, and also against decisions of the Department of Soldiers' Civil Re-establishment in respect of applications for medical treatment with pay and allowances. In a number of cases an appeal is entered by one man in respect of both pension and treatment. If we regard such a case as two appeals, inasmuch as two decisions have to be given, we have heard up to date 753 cases.

Q. But from 535 individuals?—A. From 535 individuals. The total number of cases finally settled, including decisions of one commissioner accepted, and all cases decided upon by a quorum of the Board, is 118. This does not include 65 cases heard by a quorum in which judgment is outstanding, bringing the total number of cases reviewed by a quorum up to 183. In that connection, I might point out that the law provides for hearings by one member of the Board. Then, if his decision is not acceptable, either the individual or the Board of Pension Commissioners, or the D.S.C.R. may enter a further appeal from that decision to a quorum of the Board, not including the member who originally heard the case. Our experience has been that in nearly every instance the decision of the one commissioner is not acceptable; there is almost invariably a further appeal to a quorum of the Board. The percentage so far is 81. In other words, every case we have heard so far has had to be heard all over again by a quorum of the Board.

By Mr. Humphrey:

Q. What percentage have been accepted upon the decision of the quorum of the Board?—A. All the decisions of the quorum of the Board have been accepted, with the exception of a very few individual cases, where the jurisdiction of our Board to give the decision has been questioned by the B. P. C., and the point of law involved is still under consideration. But in every case where a definite decision has been given by a quorum of the Federal Appeal Board, that a certain disability was incurred on service, or aggravated by service, and did not conflict with some other section of the statute, it has actually been carried out by the B.P.C., or the D.S.C.R.

By Mr. Caldwell:

Q. Would you rather be questioned as you go along, or make your statement without interruption?—A. I think perhaps it would be just as well to ask me questions as I go along.

Q. Very well. What is the result of the appeals, where over 81 per cent of the decisions of the single member of the Board have been appealed to the

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quorum of the Board? Have these decisions been changed or not?—A. In the majority of cases the decision of one commissioner has been sustained by the quorum.

Q. In the majority of cases?—A. Yes, the great majority of cases.

Q. In some cases they have not been sustained, I presume. That is, an appeal by the pensioner himself, or by the Board of Pension Commissioners?—A. In either case. Our experience has been so far that no matter whether the appeal to a quorum was lodged by the man or by the Board of Pension Commissioners, that is usually the case.

Q. What percentage of these cases have been appealed by the Board of Pension Commissioners, and what percentage by the soldiers?

Mr. HUMPHREY: That is what I would like to have, to get some kind of a statement of the percentage of the appeals made by the Board of Pension Commissioners against the decisions of one member of the Board, and the percentage of appeals taken by the returned men.

By Mr. Caldwell:

Q. Can you give us the number of appeals made by the Pension Board and the number made by the pensioners?—A. I have here a statement which will perhaps cover the point. The first part refers to cases which have been settled in favour of the appellant. "Judgment by one commissioner accepted—16"; that is, judgment is given by a commissioner and is finally and definitely accepted by the Pensions Board or the D.S.C.R., without re-appeal. "Judgment by one commissioner confirmed—12"; that is, an appeal entered by the Pensions Board and then confirmed by a quorum of the Federal Board of Appeal. "Unfavourable judgment by one commissioner reversed—1"; "Judgment by a quorum—5." That makes a total of 34 cases definitely settled in favour of the man, 34 cases settled in his favour, or 28 per cent of the total cases settled. Now, come the cases settled against the appellant. "Judgment by one commissioner accepted—39"; "Judgment by one commissioner confirmed—29"; "Favourable judgment by one commissioner reversed—4"; "Judgment by a quorum—84."

By Mr. Humphrey:

Q. That does not give the number of appeals taken by the Board of Pension Commissioners against the decisions of the Appeal Board. I would like to get that information if I could.—A. As I stated previously, the percentage in both cases is about the same, namely 81 per cent of the decisions, whether favourable to the man or against the man, are appealed. In other words, practically every decision given in favour of the man by us, is appealed by the Board of Pension Commissioners.

Q. I would gather from that statement that the Board of Pension Commissioners has not accepted the decisions of the Appeal Board in cases where it was in favour of the appellant?—A. In the majority of cases, they have not, but the same thing exactly applies in the case of the man, where the decision of the Board is unfavourable to him. He does not accept the decision of the one commissioner either. The hearings by one commissioner so far have not, in my personal opinion, been effective, because in nearly every instance a second hearing of the case is necessary by a quorum of the Board.

By Mr. Caldwell:

Q. Just a further question in that connection. Where this case has been appealed by the Board of Pension Commissioners, and the decision has been in favour of the appellant by a quorum of the Appeal Board, has the Board of Pension Commissioners in every case put that into effect?—A. They have

[Major C. B. Topp.]

not in every case. In, I think a total of seven cases, they have raised a point of law as to whether the Federal Appeal Board actually had jurisdiction to give a decision to that effect, and in those cases they have not carried out the decision of a quorum of the Board.

Q. There has been rather a resistance, then, to the findings of the Appeal Board by the Board of Pension Commissioners, we would gather?—A. I would put it this way, that there has been conflict as to the power given to the Federal Appeal Board by the legislation. The legislation, I think, is perhaps not as clear as it might be.

Q. Has the Federal Appeal Board found that this legislation does not enable them to consider appeals that the Appeal Board thinks should be considered? For instance, an amendment made by the Senate last year restricted this appeal to one ground only, that of attributability. To my mind, as a member who has been on this Pension Committee for a number of years, one large question with the returned man is as to the degree of pension awarded. If the Pension Board will say the disability is attributable to service and awards him 10 per cent pension, he cannot appeal it?—A. No, and there are a number of grounds on which he has no appeal.

Q. He only has appeal on one ground, and if the Pension Board will admit his disability is due to service and awards him any pension at all, he has no recourse.—A. His case is right out of court as far as we are concerned. We have not had a great number of complaints of this kind, but we are informed by the soldiers' advisors that they have received many claims which they have not brought forward.

Q. These men do not get before your Board at all?—A. No. We have no chance to hear them.

Q. You have here 2,371 applications for appeal, and you have only dealt with 183, which leaves you over 2,000 that have not been dealt with yet?—A. No sir, that is not correct.

Q. You have 183 finally dealt with or disposed of?—A. Yes, by a quorum.

Q. Take the number you have considered, 535.—A. Yes.

Q. Which would leave practically 1,800 that have not been considered at all?—A. Of that number 755 are cases which have come to our notice but which are outside our jurisdiction, such as degree of pension, and so on.

Q. Then there are about 1,100 to be accounted for. What class are they in?—A. The actual number yet to be disposed of is 1,052. Of that number, we have 541 which are straight appeal cases; they are cases which we can and will deal with in time. 29 are cases under that so-called Meritorious Clause.

Q. Cases that there is no legislation for?—A. Yes, and we have 456 cases which are not yet classified, where a man has written to us and we have written for further information.

Q. You are not certain whether he is under your jurisdiction or not?—A. We are not certain.

Q. But you have 500 cases which you are sure do come under your jurisdiction?—A. Yes sir.

Q. How long have these cases been waiting, on an average?—A. They vary. Some have been in for some months, and others are quite recent. We are getting them in at the rate of about 35 to 40 per week.

Q. And the point I am coming at is this. It is just possible that a large number of these men are in the same position as the man I mentioned a while ago, carrying insurance and paying it out of his pension, which may be small. There is the possibility that they may not be able to carry on their insurance payments. Therefore, their insurance is liable to lapse. Although they may get a favourable decision from the Appeal Board and their pension may be reinstated and made retroactive for this whole period, still their insurance has lapsed, and

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they cannot get reinstated without medical examination. I think it is clear what hardship this would work on men who are reinstated, but not in time to keep up the continuity of their insurance.—A. That might be the case in some instances. If I might digress for a moment, that point of medical examination on the lapse of an insurance policy, the reason for that is exactly as outlined by the chairman of this Committee. It was simply thought in some cases the policy might lapse for two years or so, and a man would find himself close to death and would try to get reinstated. So far as my knowledge of the Act is concerned—and I was in charge of its administration from its inception up to 1923—it was never the intention that that regulation should be made effective except where there was reason to believe that fraud might be committed.

Q. And that was the practice?—A. Yes. I do not think in 5 per cent of the cases it will ever be made effective. In any bona fide application for reinstatement, the policy will be quite automatically reinstated.

Q. You think it should be, too, except in exceptional cases?—A. That is my personal opinion, of course.

Q. Except in a case of fraud, or something like that?—A. Yes. To resume this statement, possibly a number of such cases as you mention, Mr. Caldwell, are included in these unsettled appeals. I have no means of knowing that.

Q. The point I am making is this. Is the Appeal Board, as at present constituted, adequate to keep up with the work? The first proposal was that several subsidiary appeal boards, if you might call them that, should be created, which would hear cases. It is evident that this matter of one commissioner hearing appeals is not working out, and is not accomplishing anything, but a waste of time and labour. These decisions are all re-appealed to a quorum of the Board, so the only cases which are finally adjusted are those dealt with by a quorum of the Board. So we have no branch appeal boards, or whatever they call them?—A. District Review Boards.

Q. So this work is now being done here, the only work is being carried on here at Ottawa by a quorum of the Appeal Board?—A. That is our experience so far, but there is this consideration, that a comparatively small number of re-appeals have been heard, and in those we have heard the judgment of the one commissioner has been sustained in most cases. It might possibly be assumed that as the public and as the Pensions Board and the D.S.C.R. realize that individual decisions are going to be confirmed by a quorum, there may not be so many re-appeals. On the other hand, the actual experience we have had so far does indicate that the individual hearings are not accomplishing what they hoped of them. They were suggested to take the place of the District Review Boards, which were recommended by the Royal Commission.

Q. And passed by the House of Commons?—A. And passed by the House of Commons. Then the individual hearings were supposed to take the place of these district boards, as a means of economy. As I say, on the actual results up to date it is necessary to cover the ground again. We have endeavoured to give that part of the law a very thorough trial, with the object of clearly testing whether that system could be made effective.

Q. When a soldier appeals from the decision of one commissioner, what is the procedure? Does that soldier have to come to Ottawa to appear before the quorum, or does the quorum simply take the evidence given before the commissioner and review it?—A. No, sir, when a re-appeal is entered by the man, we list it according to the place where the man lives, and when there is a sufficient number to make it worth while having a quorum session there, the quorum travels to that point and hears the case. Incidentally, I might point out that owing to the large number of re-appeals, we have felt it to be desirable to hear as many original appeals as possible by a quorum in the first instance. We are doing that to-day.

Q. Do they travel around to do that?—A. They are sitting in Winnipeg at this moment.

Q. How many appeals do you consider sufficient to warrant the Board travelling away to hear them?—A. I had not thought of that.

Q. I suppose the practice is this. There are appeals from every province, and they will go to the point where there are the most appeals.—A. I might cite the present trip as an illustration. The commissioners left Ottawa about the 5th of May, three commissioners, and went down to the Maritime Provinces. Three commissioners went to the Maritime Provinces and the other two went out to the western provinces. The chairman of the Board, Colonel Belton, went to the east and had quorum sessions while the other two people in the west were hearing cases individually. Then, at the conclusion of the quorum sessions in the east, Colonel Belton went right through to the coast and is working right back across the country with the other two commissioners, hearing quorum cases.

By Mr. Knox:

Q. Do two commissioners constitute a quorum?—A. No, three commissioners, sir. We find that four to five cases per day is about the limit that it is possible to deal with, because the soldier advisor often has a good deal to say about the case, and the man may have a barrister present to represent him, and some of our files are very thick, and it is a very difficult matter to get a case settled in a short time.

By Mr. Caldwell:

Q. Do you find you can dispose of four or five cases in one day, very often?—A. No, we do not. Three is more close to it. That is the number fixed as about the limit which will be set down, but occasionally to meet urgent demands and so on, we have heard as many as five or even six cases a day. To hear six cases a day means sitting from early in the morning until late in the evening, and it is a very very nerve-racking business to keep all that detail in one's mind.

Q. And carry the responsibility of making the decision at the end of the day?—A. Yes.

By Mr. Humphrey:

Q. You said you have had 2,371 individuals enter appeals. Would I be safe in saying that you have an equal amount of appeals that do not come to the notice of the Appeal Board? That is, appeals that are made to the soldier advisor, who then gives them a decision which really keeps that case from coming to your notice?—A. I would say there would be considerably more than that number, very considerably more. Of that number alone, 755 are cases in which we have no jurisdiction.

Q. That is a point I would like to bring out. It has come to my attention that there have been many hundreds make application to the Appeal Board through the soldier advisor on the strength of legislation that was passed by the House of Commons. The soldier advisor then notifies the applicant that his appeal is not within the law as it now stands, so consequently it is really useless for him to go further, and he does not take any further action. Those cases would not come to the attention of the Appeal Board in that way.—A. Undoubtedly there are many hundreds of such cases.

The CHAIRMAN: The committee now stands adjourned until Thursday at 11 o'clock.

The witness retired.

The Committee adjourned.

APPENDIX

(Submitted by Major Topp)

MEMORANDUM *re* Federal Appeal Board for the Information of the Parliamentary Committee on Pensions and Re-establishment.

In its second interim report the Royal Commission on Pensions recommended the institution of an appeal tribunal having jurisdiction to hear appeals against decisions of the Board of Pension Commissioners and the Department of Soldiers' Civil Re-establishment and of giving final decisions thereon. The suggestion of the Royal Commission was that nine District Review Boards, each consisting of three members, should be established in each of the nine districts of the Department of Soldiers' Civil Re-establishment and that a Federal Appeal Board with authority to give final decisions should be set up in Ottawa. These Boards were to have authority to hear appeals on all grounds.

Legislation was drafted to cover the recommendations of the Royal Commission and was passed by the House of Commons. The bill concerned on reaching the Senate was referred to a Select Committee of that body and on recommendation of the Committee was amended to provide for one Federal Appeal Board of from five to seven members. Individual members of the Board were to hear appeals and a further appeal from the decision of an individual member would lie to a quorum of the Board. The proposal of the Committee of the Senate was that hearings by individual members would take the place of the District Review Boards. The Senate Committee's views in this connection are set out in its report as follows:

"Your Committee feel that with a Federal Appeal Board as suggested the members thereof should be able to visit every part of the country, hearing appeals in precisely the same manner, with the same accessibility and speed, and with the same right of personal appearance on the part of the member of the forces as would have been the case had District Review Boards been constituted; that, in fact, the ex-member of the forces will not be prejudiced in any manner and on the other hand substantial saving of public money will be effected.

Your Committee are of the opinion that uniformity of procedure and decision are of the utmost importance. Through the medium of the secretariat of the Board and the deliberations of its members, this uniformity of procedure and decision will be secured."

The legislation was subsequently enacted by Parliament in accordance with the recommendation of the Select Committee of the Senate.

The Royal Commission in its second interim report, presented in May, 1924, contains further reference to the present appeal legislation as follows:—

"The question as to what cases should be heard by the Federal Appeal Tribunal was reported on by a Select Committee of the Senate. As appears, the question discussed was whether there should be appeals on both "entitlement" (right to pension) and "rating" (amount of pension) or whether the appeals should be confined to "entitlement" alone. The recommendation of the Committee favoured the latter course.

Entitlement includes not only the question as to the connection of the disability with service but also the question as to whether the applicant is within the class of persons for whom the Act provides.

The section before quoted is much narrower than the recommendation of the Committee. The section only permits appeals on one element of entitlement, viz., the connection of the disability with service.

The jurisdiction of the Federal Appeal Board thus limited, excludes not only all review in respect of assessment but it also prevents appeals such as those of widows, widowed mothers and parents refused under the provisions of section 34 (1) and (3) children under section 24 (1) and (2), and the soldier himself under sections 12 and 13.

This is referred to in view of the possibility that, in specifying the cases to be dealt with by the Federal Appeal Board, it was assumed that decision as to attributability included all questions of entitlement, and to ensure that it is not overlooked that there are many grounds on which pension may be refused, even though the disability or death was connected with service. As the Act stands now, if a pension is refused on any of these other grounds there is no appeal."

The Federal Appeal Board is presently constituted of five members, appointed on August 17, 1923. It began functioning in October, 1923. A statement is attached covering its operations up to the present time.

Appeal machinery set up included Official Soldiers' Advisers in each of the principal centres throughout the country, thirteen in all. These appointments were made by the Governor in Council upon recommendation of the Veterans' Associations in each centre. They are independent officials, not employed by the Appeal Board, nor in any way under the Board's control, their status being purely that of counsel for appellants.

In carrying out the appeal legislation the Board has endeavoured to give full effect to the law and the bulk of its work to date has been carried out by Members sitting individually. Sessions have been held in every province and some 612 cases have been heard. Experience so far has been that in approximately 80 per cent of the cases heard by individual Members of the Board a further appeal to a Quorum is entered by the Appellant when the decision is adverse to him and by the Board of Pension Commissioners or the Department of Soldiers' Civil Re-establishment when the decision is favourable to the Appellant. The result is that a good deal of delay in final disposal of appeals has occurred. Owing to the small proportion of individual decisions accepted by either party to the appeal, the Board has lately felt it to be the part of wisdom to have a Quorum hear appeals in the first instance whenever possible. This policy is being actively carried out at the present time.

In the practical application of the law various difficulties have been encountered. For example, immediately upon announcement of appointment of Official Soldiers' Advisers these officials were inundated with complaints of all sorts and it was a very difficult matter for them to adequately prepare appeals for presentation before the Board. A great many of the cases submitted to Soldiers' Advisers are not within the jurisdiction of the appeal Board and much of the Advisers' time is occupied in taking up such cases with the Board of Pension Commissioners and Department of Soldiers' Civil Re-establishment directly. It has also proved to be a difficult matter to definitely impress upon all concerned the fact that the Federal Appeal Board has power only to deal with cases where pension or treatment is refused on grounds that the injury or disease was not incurred on or aggravated during service.

A further provision of the Statute, which has to some extent delayed settlement of appeals, is that which requires that appeals shall be dealt with only upon the evidence and record upon which the decision of the Board of Pension Commissioners or Department of Soldiers' Civil Re-establishment was given. In many cases the Official Soldiers' Advisers on reviewing the record have found that further evidence is necessary. This evidence when obtained must be

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considered by the authority who gave the decision complained of before the Appeal Board can take up the case. The hearing of the appeal must, under the Statute, be confined strictly to the record and if new evidence of any kind is introduced the Appeal Board may not give a decision until this evidence has been considered by the authority whose decisions is appealed from.

C. B. TOPP,
Secretary, Federal Appeal Board.

MEMORANDUM *re appeals heard, etc., for Information of the Parliamentary Committee on Pensions and Re-establishment.*

A detailed statement covering the operations of the Board has been submitted to the Chairman of the Committee. Principal points of interest in the statement are as follows:—

- (a) Total of 2,371 individuals have entered appeals.
- (b) Total of 535 individual cases have actually been heard. In 100 of these cases a re-appeal has been heard, making a total of 635 hearings.
- (c) If an appeal against the B.P.C. and one against the D.S.C.R. by the same individual are considered as two cases, a total of 753 appeals have been heard.
- (d) The total number of cases finally settled, including decisions of one Commissioner accepted, and all cases decided upon by a Quorum of the board is 118. This does not include 65 cases heard by a Quorum in which judgment is outstanding, bringing the total of cases reviewed by a Quorum up to 183.
- (e) Re-appeals against decisions of individual Commissioners have been entered in 81 per cent of the cases dealt with.
- (f) Decisions of individual Members of the Board have been accepted in less than 20 per cent of the cases heard.

June 12, 1924.

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COMMITTEE ROOM 436,

HOUSE OF COMMONS,

THURSDAY, June 19, 1924.

The special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers, met at 11.00 o'clock p.m., the Chairman, Mr. Jean J. Denis, presiding.

The CHAIRMAN: I wish to submit for your consideration telegram which was sent to Mr. Speakman of this Committee and which reads as follows:

"Calgary, Alta.

June 17th, 1924.

A. SPEAKMAN, M. P.,

House of Commons, Ottawa.

Alberta anxious to send two delegates to your committee to furnish evidence upon all soldier questions. Can transportation be furnished?"

This is signed by the Provincial Secretary of the G.W.V.A. The question of forwarding transportation in this case must be submitted to the Committee. I would therefore ask the Committee if it is their desire that the transportation should be furnished. So far as hearing these two delegates is concerned, I would not ask the Committee if they should be heard, because the Chair has made it a point to hear anybody who wants to be heard, but there is this question of transportation, so I would like to ask you if you are agreeable to granting transportation to the two witnesses who would come from Alberta.

Discussion followed.

The CHAIRMAN: The ruling of the Chair is that the Committee, although very sympathetic to the soldiers, and being willing to hear them at any time should they come here on their own accord, does not feel that it would be in the interests of the men to offer them transportation to come and give evidence before this Committee at this time of the session, for the reasons that have already been advanced by the members of the Committee, and further that these men are invited to send, at the expense of the Committee, a night letter-gram expressing their views on the two resolutions now before the Committee for the relief of soldier settlers.

We will now conclude the evidence of Colonel Thompson. He will be very short, I understand, and then we will proceed with Major Topp. It has been suggested to me that the evidence should be shortened as much as possible, because our deliberations as to our report to the House are perhaps more necessary at the present time than the taking of evidence. Therefore I would ask members of the Committee to ask questions only when it appears clear that questions should be asked, and let the witness proceed as much as possible without putting too many questions, and in that way we will be able to dispose of the evidence very much quicker than otherwise.

Colonel JOHN THOMPSON recalled.

The WITNESS: The last paragraph of the report affecting pensions is on page 49. The suggestions upon which the recommendation is based will appear on page 48. The suggestion at page 48 is that the pensions granted in tuberculosis cases be stabilized at 100 per cent over an extended period. The recommendation is as follows:

"The Commission recommends that such provision be made that on discharge of from Sanatorium of pensionable T.B. cases showing the presence of Tubercle Bacillus in the Sputum, or, if this cannot be demonstrated, in cases proved by X-Ray examination, if moderately advanced and clinically active during the period of observation, pension shall be awarded at 100 per cent for a period of at least two years."

On this point, I would refer you to page 77 of the report, in which Colonel Dubuc puts in a minority report; that will be found at the end of page 77. The only other point, Mr. Chairman, is the financial statement, and I suppose that I should file it so that it may be copied into the notes.

The CHAIRMAN: I would suggest that this financial statement be printed as an appendix to our proceedings, and if members of the Committee should wish to ask questions about it, perhaps Colonel Thompson could be called back here again, when members of the Committee have had an opportunity of examining the report. I do not think it would be very useful to have Colonel Thompson examined on this report now, because members of the Committee have not had an opportunity of studying it. So it will simply be inserted in our proceedings to-day, and if members of the Committee wish to ask questions about this I will call Colonel Thompson at a subsequent meeting.

Witness retired.

C. B. TOPP recalled.

The CHAIRMAN: At the last sitting of the Committee Major Topp had started to give his evidence, so I would ask him to now continue.

The WITNESS: Mr. Chairman, at the last meeting, my evidence had particularly to do with the number of cases in which reappeals had been entered against decisions of individual members of the Federal Appeal Board. A question was asked by one of the members with regard to the number of cases in which the Board of Pension Commissioners had entered appeals against favourable decisions. I have had prepared a detailed statement covering that point, which I will read.

"Total decisions of one commissioner unfavourable to the appellant, 259.

Total reappeals by the appellant, 217, or approximately 84 per cent.

Total decisions against Board of Pension Commissioners, 42.

Total reappeals by Board of Pension Commissioners, 27, or 64 per cent.

Total decisions against Department of Soldiers' Civil Re-establishment,

17. Total reappeals by Department of Soldiers' Civil Re-establishment, 14, or 82 per cent.

Total decisions against both departments (that is a case where the appeal was made in respect of pensions and of medical treatment) 19.

Total reappeals by both departments, 17, or 89 per cent."

One point about that statement, to which I might call the attention of the Committee, is the fact that more reappeals have been entered by the men themselves than have been entered by the Pensions Board. That, of course, appears in the statement.

By Mr. Caldwell:

Q. That is, a greater percentage of appeals?—A. A greater percentage of reappeals have been entered by the men against unfavourable decisions than have been entered by the Board of Pension Commissioners against favourable decisions. The number is much greater, of course.

Q. In how many cases has there been a confirmation of the judgment of the one commissioner, in the case of the soldier?—A. In 16 cases.

[Col. Thompson.]

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Q. In the case of the soldier?—A. In favour of the appellant. The Department of Soldiers' Civil Re-establishment and the Board of Pension Commissioners have accepted the judgment of the one commissioner in 16 cases.

Q. But when it has been reappealed, has the decision of the one commissioner been confirmed?—A. The decision of the one commissioner has been confirmed in most cases.

Q. In a case where the B.P.C. reappeals and the decision has been confirmed, has there been any reluctance or any hesitation on the part of the Board of Pension Commissioners in carrying out the findings of this decision, any refusal to carry it out?—A. As I stated at the last meeting, there are 7 cases where either a decision by a quorum of the Board has been given in favour of the appellant, or where the decision of one commissioner has not been appealed from, in which the Board of Pension Commissioners, on legal grounds, has not so far carried out the decision of the Federal Appeal Board.

Q. What do you mean by legal grounds?—A. So far as I can judge from the correspondence which has taken place, the Board of Pension Commissioners takes the stand that the decision of the Federal Appeal Board is not covered by the statute. In other words, the favourable decision rendered by the Federal Appeal Board is *ultra vires*.

Q. That is, they claim the Federal Appeal Board has not jurisdiction in these cases?—A. That is the claim as I understand it.

Q. Could you give us exactly what they base this claim on? What is the point claimed by the Board of Pension Commissioners? If there is anything indefinite or vague about this Act about which there is a chance of dispute I think it should be cleared up. The purpose of the legislation is to make it clear, so there will be no dispute.—A. I might say that Mr. Reilly, who is at present Acting Chairman of the Board and who is the legal member of the Board is, I believe, prepared to discuss the legal aspect in these cases.

Mr. CALDWELL: That will be quite satisfactory.

The WITNESS: I do not know that I had anything further to volunteer. I have a great deal of information available if questions should be asked.

The CHAIRMAN: If any member of the Committee wishes to ask questions of Major Topp, they will be welcome to do so.

By Mr. Robinson:

Q. Do I understand from the witness that there is a difference of opinion, or a clash between the Federal Appeal Board and the Board of Pension Commissioners?—A. As I understand it, yes, there is a difference of opinion.

Q. A difference of opinion on the meaning of the statute?—A. On the meaning of the statute.

The CHAIRMAN: If you have no objection, Mr. Reilly will be heard immediately after this witness, and he will answer questions on this point.

Mr. CALDWELL: If I might suggest this, Mr. Topp might very well retire if Mr. Reilly is here, and if it is necessary to call Mr. Topp back we can do so.

The witness retired.

C. B. REILLY called and sworn.

The CHAIRMAN: Mr. C. B. Reilly will now be heard, as Acting Chairman of the Federal Appeal Board, and he is a competent witness of whom Mr. Robinson and others might ask questions as to the working of the Board and as to the effect of the law, the application of the law and also whether or not the law should be amended. I will call upon Mr. Reilly to make a statement first, and then you can ask him all the questions you wish.

[Mr. C. B. Topp.]

The WITNESS: The enabling part of the Pensions Act so far as it relates to the Federal Appeal Board occurs in the first subsection of Section 11 in the 1923 amendments, and is as follows:

"Upon the evidence on record upon which the Board of Pension Commissioners gave their decision, an appeal shall lie in respect of any refusal of pension by the Board of Pension Commissioners on the grounds that a disability resulting from injury or disease, or the aggravation thereof, or that the injury or disease or the aggravation thereof resulting in death was not attributable to, or was not incurred during military service."

The jurisdiction of the Board, then, is restricted to determining the question of attributability. We have confined our work under the terms of that section and our decision has been accepted in all of the cases cited by Major Topp in his report, but there are seven cases in which our decision, as to the extent of our jurisdiction, has not been accepted by the Board of Pension Commissioners. They can be subdivided into three types, I think. In three cases it becomes necessary to interpret the words, "that the injury or disease or the aggravation thereof, resulting in death, was not attributable to, or was not incurred during military service." Three cases have been decided where, in the opinion of the Federal Appeal Board, a man died of a disease which he had when he enlisted, but which was aggravated during his military service. It has been represented to us that before we can decide in favour of an appellant in such a case, we must be of the opinion that the aggravation resulted in death. In other words, it is not sufficient to find that the disease was aggravated during service, but we must also find that the aggravation resulted in death.

By Mr. Caldwell:

Q. Do you not consider that is a very fine point?—A. I had two of these cases to decide as a commissioner sitting alone, and the Section gave me no difficulty whatever. I was of the opinion that if the soldier had suffered from the disease, and that the disease had been aggravated during his military service, and he subsequently died of it, then his dependents were entitled to pension.

Q. You took the view that if his disability was greater than when he enlisted, it was due to the fact that his disability increased that he died from it?—A. Increased, yes.

Q. Because he certainly was not in a dying condition when he enlisted or he would not be accepted?—A. He would not be accepted. During service the disease was aggravated, probably by service.

Q. He was pensioned for the aggravation?—A. In one case, probably in two cases he was not pensioned at all, but he died within a few years after his discharge, so the question arises there, is that section clear or does it require amendment. My submission is that it is clear.

Q. You are a legal man, Mr. Reilly?—A. Yes.

Q. In pretty good position to interpret the law?—A. Well, I have been working at it for some years.

Q. For how long?—A. I have been a member of the Bar now for twenty years.

Q. It might be a question of grammar. The words "or that the injury or disease or the aggravation thereof were not attributable to." It is claimed that the words "resulting in death" qualify "aggravation."

Q. Just make that clear.—A. The words are "that the injury or disease or the aggravation thereof, resulting in death, were not attributable to." The claim is made that the words "resulting in death" qualify "aggravation." My interpretation is that the words "resulting in death" qualify "disease or injury."

[Mr. C. B. Reilly.]

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Q. But the Board of Pension Commissioners take the view that that states that the death must result from the aggravation alone?—A. Yes. I take it that the “results from disease” and the present participle “resulting”—we might change the sentence to make it perfectly clear and say that the “injury or disease resulting in death” was not “attributable to” or “was not aggravated by” or the “aggravation of his injury or disease was not attributable to” or “was not incurred on service.” Then it would become perfectly plain.

By Mr. Robinson:

Q. It qualifies all the words there connected by “or”?—A. Yes.

Mr. SHAW: Their contention is that it qualifies “aggravation” in addition to qualifying “disease.”

By Mr. Clark:

Q. I am not very clear on the statement that was made. Might I ask a few questions?—A. Yes.

Q. In the first place if the injury is incurred on service and death results there is no division of opinion between the Board of Pension Commissioners and the Appeal Board on the interpretation?—A. That is correct.

Q. If the disease is one which results from service and death results there is no division of opinion?—A. No.

Q. Now then, on the other hand if the injury or disease existed prior to enlistment and there has been aggravation, the interpretation placed upon it by the Board of Pension Commissioners is that the death must result from the aggravation?—A. That is it.

Q. You say if there has been aggravation at all of the injury or disease on service, even when present, the man is entitled to pension under the interpretation of the Section. Am I correct?—A. That would make a distinction that that is “when present.” That is probably negligible.

Q. But there has been aggravation?—A. Yes.

Q. You say if there has been aggravation of the injury or the disease on service, then the man, under this section, is entitled to pension.—A. That is correct.

Q. You have said that aggravation does not matter, so long as there has been aggravation of the disease or injury on service the man is in your opinion entitled to pension if death results from the injury or disease?—A. It is very hard to get away from the word “appreciable.”

Q. You cannot put words in the Statute that are not there.

Mr. CALDWELL: I would like to interject right there, when a man is accepted for service he is certainly in a pretty healthy condition. It would not be possible to die from that disease if it was only aggravated when present.

By Mr. Clark:

Q. I think if the facts were as Mr. Caldwell states, from that there could be no doubt that the death resulted from the aggravation and not from the injury or the disease. I am not interested in the merits of the thing at the moment. I am interested in the legal interpretation of the section. We can allow after death what we think should be allowed and fix this section. Have you submitted this for interpretation to the Justice Department?—A. We have not done so. The Federal Appeal Board has not done so. I do not know whether the others have.

Q. I think a thing of this sort should be submitted to the Justice Department for a ruling. It is as clear as anything to me that the legal interpretation must be that the man must die from aggravation. That would be my opinion. Mr. Reilly is a lawyer too and I think there is a difference of opinion between

lawyers. As far as I can see I would get a ruling of the Justice Department on it; then we can go into the merits of it, but I think we are wasting time discussing the merits of this at the moment until we know what is the proper legal interpretation of this section. We have the Board of Pension Commissioners and the Federal Appeal Board differing in interpretation. Why has it not been submitted to the Justice Department for its decision.

Mr. CADWELL: The Justice Department would not agree with any of them.

The CHAIRMAN: You do not submit that judges acting as such should submit the law to the Justice Department in order to have a ruling as to the law. In my opinion the Appeal Board were not obliged by any means to make that submission, and not only that, there is no fault on their part whatsoever for not submitting this question to the Justice Department, because they are acting as judges. Will you proceed, Mr. Reilly.

Mr. SHAW: May I be permitted to ask one question.

The CHAIRMAN: Yes.

By Mr. Shaw:

Q. Do I understand you correctly that the Pension Board and the Federal Appeal Board had disagreed as to the interpretation of this section?—A. In two cases.

Q. Tell me, does the Federal Appeal Board have jurisdiction to determine the law of the matter as well as the fact?—A. In my opinion it has.

Q. Then of course their ruling would be a judicial ruling so far as their powers are concerned?—A. Yes.

Q. Does the Pension Board in any way interfere with the judgment of the Appeal Board?—A. Except that it does not give effect to the judgment.

Q. So that they do not treat it as a judgment at all, that is if they find that for any reason in their opinion, the Federal Board has not acted within its jurisdiction?—A. That is the situation, yes.

Q. Do you know whether or not they have received any opinion from the Justice Department on the matter?—A. I do not know.

Q. When this difficulty or difference of opinion arose do you know whether or not it was submitted to the Minister in any way?—A. I believe that all the cases are now before the Minister.

Q. That is these in which the difference of opinion has arisen?—A. Yes.

Q. Will you tell me what section gives the necessary jurisdiction to determine matters of law as well as matters of fact? Is there any special clause?—A. The first subsection of Section 11 defines the jurisdiction of the Board. That is the one I read at the beginning. That is subsection 4. "An applicant shall be entitled to only one appeal upon the grounds or any of them set forth in subsection (a) of this Act. The decision of the Board thereon shall be final and shall be binding upon the Board of Pension Commissioners of Canada."

Q. I suppose the only way you can enforce your judgment would be to take mandamus proceedings?—A. As I am in a semi-judicial capacity I would not care to advise the parties how they should proceed.

By Mr. Clark:

Q. When the Board of Pension Commissioners refuses to give effect to one of your decisions, for instance, as they have done, I assume this particular section—the result is a deadlock between the Federal Appeal Board and the Board of Pension Commissioners on a point of law?—A. The Federal Appeal Board is entrusted with the work of handing down the decisions. After that the work of paying the pensions devolves on the Board of Pension Commissioners.

[Mr. C. B. Reilly.]

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Q. Am I right, or am I not; the result is that the Board of Pension Commissioners refused to pay the pension. That is correct?—A. Yes.

Q. Actually under this particular section there is a deadlock between the Federal Appeal Board and the Board of Pension Commissioners?—A. Yes.

Q. Over the question of the interpretation of this section.—A. It would perhaps be better to take each case on its merits and find out where—

Q. I think that would be delaying matters entirely. I want to make myself understood. You tell me there has been a difference of opinion in the interpretation of this section between your Board and the Board of Pension Commissioners. Is that correct?—A. My statement goes further than that.

Q. I know it does, but there is a difference in the legal interpretation of this section, is there not? You have said that a dozen times.—A. But the Federal Appeal Board is charged with the interpretation of the section.

Q. I realize that.—A. The Board of Pension Commissioners has declined in some cases to carry out our decisions on the ground that our interpretation of the section was not correct.

Q. Does it not amount to this, that there is a deadlock there? There is a deadlock. Nothing is done as a result of your decision. Is that question not capable of being answered?—A. It is quite capable of being answered but I do not think it quite describes the situation.

Q. You said that once before, Mr. Reilly, that there was a deadlock; put it this way: The Board of Pension Commissioners having refused to pay the pension, as a result of difference of opinion between your Board and their Board in the interpretation of this section, from a legal point of view?—A. Yes, they declined to accept our interpretation of it.

Q. And the deadlock results from a pure question of interpretation of the law?—A. The word "deadlock" implies a contest.

Q. The fact that the refusal of the Board of Pension Commissioners to pay the pension is as a result of the difference of opinion on the interpretation of the law?—A. I think that is a fair statement, yes.

Q. I want to ask you, would it not simplify the situation, if between sessions, after this session, a similar difference of opinion arises and the Board of Pension Commissioners refused to carry out some decision of yours—would it not simplify matters if these two bodies submitted the legal decision on which there is a difference of opinion, to the Justice Department, for a ruling?—A. I think it would be a shirking of responsibility on the part of the Federal Appeal Board to defer to anybody.

Q. You certainly shirk your responsibility if you refuse to interpret the section. I will grant you that, but having interpreted the section and having yourselves balked by the refusal of the Board of Pension Commissioners to carry out your decision and realizing that it is an impossibility to have your decision carried out until Parliament meets again, would it not simplify matters if those two bodies submitted these decisions to the Justice Department for a ruling in order that there may be some change of your decision being carried out?—A. As to the advisability of conferring with the Board of Pension Commissioners and submitting our difference of opinion to the Justice Department, I do not even know whether it would be necessary to confer with the Board of Pension Commissioners.

Q. I would grant it would be much preferable to submit your opinion and agree on the submission, but failing to get together and making a joint submission, why cannot either of you, independently of the other, submit the question.

By Mr. Caldwell:

Q. Is not your opinion that your responsibility ceases when you make the decision?—A. Yes.

[Mr. C. B. Reilly.]

Q. It is not up to you to compel them to carry it out? It is up to Parliament to see that the Pension Board carries out the decision of the Appeal Board or changes the Act?—A. We are not charged with the enforcing of the judgments we hand out.

By Mr. Brown:

Q. Look at it from the standpoint of this Committee. We decide to qualify certain men to get pensions and under certain circumstances, and we undertake, with the help of our legal brethren, to embody certain things in the statute. There are two bodies interpreting the statute and they figure perhaps our desires have not been given expression to in a proper way. How can we know whether we have correctly stated our position or how can we know that we have effect given to our desires unless some person, preferably the Justice Department pronounces on that question, on the law as it stands. Would it not be far better if the law could be administered in harmony with a ruling of the Justice Department as it stands, until Parliament meets again and we will find out whether, after all, we have accomplished our purpose. If the ruling is not in harmony with our desire we will amend the law. It is quite evident we are not having our will expressed at all, because here are two bodies in conflict, one with the other.

Mr. SPEAKMAN: In my mind the conflict is not so much the interpretation of the Act. The conflict is as to whom should have power to interpret the Act.

Mr. HUMPHREY: I would just like to clear up something: I think I am correct in stating that in creating this Federal Appeal Board, provision was made in that act whereby it stated that the decision of the Federal Appeal Board would be final unless there was an appeal taken from that decision. Am I correct in that?

WITNESS: The Act provides for an appeal from the finding of a Commissioner sitting alone, to a quorum of the Board.

By Mr. Humphrey:

Q. On the decision of the quorum?—A. No appeal is provided for.

Q. According to the Act that decision should be final?—A. Yes.

Q. It looks to me that that decision of the Federal Appeal Board should be final and that takes the responsibility off the Board of Pension Commissioners for reversing their decision.

The CHAIRMAN: I suppose this question will have to be decided later on, as to what should be done in order to obviate the present situation, but at the present time, perhaps it would be more regular if we allowed Mr. Reilly to proceed and explain to the Committee how the law has worked so far, what inconveniences had been found or discovered and what in his opinion should be done in order to obviate the defects that might exist in the law, if such defects do exist, so I would ask Mr. Reilly to continue with his explanation as to how the law is worked first, then what recommendations he has to make, if any.

WITNESS: It seems to me that in deciding whether or not the sections should be amended, it might be well to study the cases which the Appeal Board has decided and especially the cases which appear to be on the border line and on which there is some question as to whether or not they come within the four corners of the section that we are trying to interpret. I find it is better to proceed by cases rather than by supposed cases. We have so many cases that we have to decide that we think every one of them deals with every conceivable angle of the question. I will take the case of Percy Rollins as one of the seven cases in which the finding of the Appeal Board has not been carried out.

[Mr. C. B. Reilly.]

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In this case the disability consisted in the loss of use of the left arm. One Commissioner, who was subsequently followed by a quorum of the Board, decided disability was due to Service. The Board of Pension Commissioners states it is unable to carry out the decision until the nature of the disease causing the disability is indicated by the Federal Appeal Board. Now that case was heard in the first instance by Colonel Belton, the Chairman of the Board, who was a doctor. The decision of the Board of Pension Commissioners, which was under review was as follows:

"From the records before the Board the disease 'anterior poliomyelitis' was not contracted or aggravated during service."

The decision was appealed. The B.P.C. refused pension for loss of use of left arm from paralysis on the ground of non-attributability to service and it was reversed and set aside. The pension was granted to the man. It came before a quorum by way of re-appeal and the decision handed down was that there was no error in the decision of the Commissioner who heard the appeal and confirmed the same and disallowed the appeal taken before the Board of Pension Commissioners. I am not in position to enter into a discussion of that disease, but I saw the man. I heard the case in London, Ontario. It was a case where the arm was hopelessly paralysed. There was some difference in the opinion of the doctors as to attributability or non-attributability to service. When I came to confirm the judgment of the quorum I felt I was within the four corners of the section in saying that the disability was attributable to service. That is one decision, where the decision of the Federal Board of Appeal has not been carried out.

By Mr. Caldwell:

Q. Is that a typical case of many cases?—A. That is the only paralysis case we have.

Q. Would you mind giving the reason given by the Board of Pension Commissioners?—A. From the records before the Board the disease poliomyelitis, resulting in disability, was not contracted on or aggravated during military service. There is some medical opinion about the disease anterior poliomyelitis, and one case of paralyzed arm, I am not going to undertake to expound the medical doctrine on that point, but that is the way I understood it.

By Mr. Clark:

Q. How many medical opinions have you?—A. Some six or seven.

Q. Would you mind giving us the opinions?—A. The record contains strong medical evidence in support of the claim that the disability is attributable to military service.

Q. Would you mind telling us in each case, as you mention the name, what his position is, whether simply a civilian doctor or whether connected with the department or otherwise?—A. I met Dr. McDougall up in London. I think he is just a general medical practitioner, carrying on business in Strathroy. There are two Boards at Guelph and at Toronto. They would be, maybe, paid men working for the Department.

By Mr. Caldwell:

Q. What is their decision?—A. If you don't mind I will read the whole memorandum I have on it.

(Reads):

" THE FEDERAL APPEAL BOARD
Memorandum

To the Chairman

OTTAWA, December 24, 1923.

From the Medical Officer.

Re Percy Rollins.

Appeal No. 140.

We are sure you realize the extremely difficult nature of naming absolutely definitely beyond all controversy the exact medical term to be given to the disease causing the paralysis of the arm in this particular case.

The medical officers went into this case with extreme care and we reached our conclusion only after the most careful thought and after numerous consultations. We wish to strongly emphasize the following facts:—

(1) That his first medical attendant, Mr. McDougall of the C.A.M.C., gives a sworn statement to the effect that Rollin's disability was continuous from the time of his discharge from the Army and that the infection that caused the disability was unquestionably attributable to service;

(2) That the Medical Board at Speedwell Hospital, Guelph, where Rollins was sent to from Strathroy positively refused to alter its opinion which was that the disability, i.e., paralysis of the arm, was due to an infection attributable to service;

(3) That the Medical Board at Christie Street Hospital where Rollins was sent from Guelph also goes on record that the paralysis of the arm was attributable to service.

These three, i.e., Capt. McDougall, the Board at Guelph and the Board at Toronto were the medical men who were brought into direct contact and positive observation and personal treatment of this case, but even at Guelph where Rollins was under treatment and observation for weeks the Medical Superintendent states 'that the nature of the infection cannot be definitely stated.'

As to the disability there is unquestionably paralysis of the muscles of the arm due to a degeneration of the nerve filaments caused by some localized infection of the nerve centres, this infection, operating on a lower resistance and vitality due to service. You will fully understand that your Medical Officers had no privilege of personal examination of this patient. We must simply base our opinion from information of documents on file. There are tests which might be made and questions asked and information received from personal study which are naturally, from the nature of our work, denied us but there is sufficient evidence to make us absolutely unanimous in our decision that there is a paralysis of the arm due to some infection working upon a lowered vitality attributable to service, undoubtedly some form of a chronic myelitis.

H. A. BOIVIN,
R. CHEVRIER,
Medical Officers."

By Mr. Caldwell:

Q. That is the opinion of the B.P.C.?—A. No, of the Federal Appeal Board.
[Mr. C. B. Reilly.]

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By Mr. Clark:

Q. They do not actually say that this particular disease is attributable to service?—A. It is due to lowered vitality, some infection working upon the lowered vitality attributable to service, undoubtedly, some form of chronic poliomyelitis. Here is case of a paralyzed arm.

Q. Is that all the opinions you have?—A. Yes.

Q. Three?—A. We have two medical boards. Usually there are three medical men on each board. That would be seven, and two men on the Federal Appeal Board. That would be nine.

Q. You have given us Dr. McDougall and your own doctors?—A. Yes.

By Mr. Shaw:

Q. Do I understand that the only reason given by the Board of Pension Commissioners in refusing to carry out the judgment of the Appeal Board was that they wanted the Appeal Board to name the disease?—A. To name the disease which caused the condition. I do not feel competent to do it, but I recognize a paralyzed arm.

Mr. SPEAKMAN: I understood that under the terms of the Act the question of attributability was the only question on which the decision of the Appeal Board was to be founded.

Mr. HUMPHREY: I am inclined to think that the intention of Parliament was to give that to the Federal Appeal Board.

The CHAIRMAN: Do you think we will gain anything by going into the details?

Mr. CALDWELL: I do not wish to delay and I do not think it has any bearing. I think the medical men's opinion should be sufficient.

The CHAIRMAN: The finding of the Appeal Board and the way that finding has been handed down by the Pension Board is what interests us, I think. The details of the case do not interest us. The Appeal Board has rendered a decision on a certain point and on that the Board of Pension Commissioners has taken a certain action. I think that is all that concerns us.

Mr. CLARK: Here is an individual case. I quite agree with you that we should not go into individual cases because individual cases will take a long time before we get to the bottom. I think we are chiefly interested in giving these two bodies sections that they can easily interpret and carry out our wishes on.

The CHAIRMAN: Do you suggest that we should go into those cases and find out which of the two Boards was right and which was wrong?

Mr. CLARK: I would not feel capable of coming even to an opinion.

The CHAIRMAN: I think the only possible way to proceed is this. The Appeal Board is called upon to render a decision, to render a decision or give a judgment. Now, they give a judgment. They say, "Here is our judgment." For such and such reasons this judgment is sent back to the Board of Pension Commissioners and the Board of Pension Commissioners say, "We will not give effect to the judgment for such and such reasons." I think these are the only questions into which we have to inquire and I do not think we should go any further because we cannot by any possible means go into the case and find out whether or not in point of fact the Board of Pension Commissioners were right or wrong. We must limit ourselves to the finding. When the Appeal Board has rendered a judgment, if the Board of Pension Commissioners say, "We will not give effect to your judgment for this or that reason" then we must inquire into that and find out what is the remedy to obviate that difficulty, so now I believe that these particular cases, the individual cases must be quoted

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before the Committee but without going into any more detail than those I have just mentioned, because it is much easier to work on a particular case than on a general idea or a supposed case. In fact I believe it is impossible to work on a supposed case, so if I might be permitted I will ask Mr. Reilly to continue quoting the different cases that he has and put before the Committee the following information, namely first, what was the finding of the Appeal Board, the reason for that finding, in a very few words, and the reason why the Board of Pension Commissioners would not carry out the judgment of the decision of the Appeal Board, and we can work on that afterwards.

By Mr. Clark:

Q. Did you read all the decisions?—A. In the Rollins case I have read the various decisions. I have read all the decisions except the decision of the Board of Pension Commissioners.

Q. I just want to be perfectly clear on that. I understood you to say you have read all the decisions of the medical board.—A. There are several pages here.

Q. I just want to be clear on that.

MR. CALDWELL: I don't think we could go into that.

WITNESS: What I said was, I read the decisions. There was the decision of the Commissioner who first heard the case; then the decision of the quorum, dealing with the case. I read those, and now I propose to read the correspondence with the Board of Pension Commissioners which will throw light on their reasons for declining to carry out the judgment. There is a letter dated, March 19, 1924 re Private Percy Rollins (Reads):—

“The Board of Pension Commissioners for Canada.

OTTAWA, March 19, 1924.

The Secretary,
Federal Appeal Board,
Elgin Building,
Ottawa.

No. 916644, Pte. Percy Rollins.

DEAR SIR.—I have yours of the 11th instant enclosing judgment of a quorum of the Federal Appeal Board disallowing the appeal of the Board of Pension Commissioners against a decision of a single Commissioner in the case of the marginally named.

It is noted that in the opinion of the Federal Appeal Board ‘the disease which resulted in the disability was incurred on service.’

The B.P.C. has refused pension on the grounds that a condition of anterior poliomyelitis was not contracted on nor aggravated during military service.

If the judgment of the Federal Appeal Board is in respect of the condition of anterior poliomyelitis on account of which the Board has refused pension the B.P.C. has no alternative but to accept its ruling. If, however, “the disease which resulted in the disability” is, in the opinion of the Board, other than anterior poliomyelitis I would point out that pension in this regard has not been refused by the B.P.C. and the case would, therefore, not as yet come within your jurisdiction.

To enable the B.P.C. to intelligently assess pension I am (in accordance with Section 3 subsection (p) of Order in Council P.C. 212 of February 8, 1924) instructed to request that the judgment of your Board be amplified so as to state clearly the nature of the disease [Mr. C. B. Reilly.]

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giving rise to the disability in respect of which your Board has allowed this man's appeal.

Yours truly,

(Sgd.) J. PATON,
Secretary."

There is a letter of April 11th. (Reads):—

The Secretary,
Board of Pension Commissioners,
Ottawa, Ontario.

No. 916644, Pte. Percy Rollins.

DEAR SIR,—I am instructed to acknowledge receipt of your communication of March 19th and to inform you that this has now been submitted to the Federal Appeal Board.

The appeal was entered in this case in respect of refusal of pension for disability resulting from paralysis of the left arm. A quorum of the Federal Appeal Board decided that the paralysis of the arm was attributable to service. Section 11 (4) of Chapter 62, 13-14, Geo. V, provides that the decision of the Federal Appeal Board shall be final and shall be binding upon the applicant and upon the Board of Pension Commissioners for Canada.

If the Board of Pension Commissioners is unable to intelligently assess the pension payable in respect of loss of use of left arm it would be appreciated if you will advise the Official Soldiers' Adviser and the Appellant to that effect.

Yours very truly,

C. B. TOPP,
Secretary."

There is a letter of April 16th. (Reads):

"The Board of Pension Commissioners for Canada.

In reply refer to No. BPC 202633

Your reference 140

OTTAWA, April 16, 1924.

The Secretary,
Federal Appeal Board,
Elgin Building,
Ottawa, Canada.

No. 916644, Pte. Percy Rollins.

Dear Sir,—I have yours of the 11th instant regarding the marginally noted.

It is a simple matter for the B.P.C. to assess the *extent of the disability* in respect of the condition of the left arm. The B.P.C. cannot, however, make any assessment of the *pensionable* disability until it has been informed; by the Federal Appeal Board of the nature of injury or disease giving rise to the disability in respect of which the Federal Appeal Board has allowed the appeal.

If the disability in question is the result of a disease other than that of anterior poliomyelitis it has not been considered by the B.P.C. and may or may not be pensionable under the provisions of the Pension Act.

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The B.P.C. will, therefore, take no further steps towards awarding pension on the judgment of your Board until it has been informed that the judgment has reference only to the disability arising out of anterior poliomyelitis.

If the judgment has reference to a disability other than that resulting from anterior poliomyelitis it is, in the opinion of the Board "ultra vires," pension not having been refused in this respect.

Yours truly,

J. PATON,
Secretary.

Q. What was your reply to that?—A. The case was then sent up to the Minister.

Q. What did the Minister say?—A. That has not yet been settled.

Q. How long ago was it sent to him?—A. April 23.

Q. It takes a long time?—A. Not quite two months yet. The whole question is being studied now and I have no doubt a solution will be arrived at one of these days.

Q. As a matter of fact, can you say whether the pensionable disability was due to anterior poliomyelitis. Was it due to that, in the opinion of your Board?—A. I do not know.

Q. Did not they arrive at a conclusion on that?—A. The decision handed down by the first commissioner was the decision by the Board of Pension Commissioners refusing pension for loss of left arm. They abandon the use of the language used by the Board of Pension Commissioners.

Q. What was the opinion of your full Board?—A. Of the full Board? The Board finds that there is no error in the judgment of the Commissioner who heard the appeal, confirms the same and disallows the appeal taken against it by the Board of Pension Commissioners. There are records before the Board "the anterior poliomyelitis" resulting in disability was not contracted on or aggravated during military service. The decision reversing that finding merely submits a negative. It takes the negative out of the decision and puts in the affirmative.

By Mr. Caldwell:

Q. But it is due to service?—A. But it is due to service, but it refuses to be tied down to anterior poliomyelitis.

Mr. HUMPHREY: I appreciate the fact of the Federal Appeal Board doing away with some of those phrases.

WITNESS: There is an opinion from our medical advisers, "We are sure you realize the extremely difficult nature of naming the exact medical term to be given to the disease causing paralysis of the arm in this particular case."

By Mr. Caldwell:

Q. This paralysis of the arm might occur from different causes?—A. From any number of causes.

By Mr. Clark:

Q. What is this particular disease that this phrase represents?—A. Anterior poliomyelitis, I really do not know.

By Mr. Caldwell:

Q. Is this not a fact, that when the disease is in progress the medical men will often disagree as to the disease itself and as to the cause of it. There is much greater chance for difference?—A. Yes.

[Mr. C. B. Reilly.]

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Q. So it would be a difficult matter to-day to tell what caused the paralysis of this man's arm?—A. Yes.

By Mr. Clark:

Q. If the Federal Appeal Board had found that your single commissioner had found that this particular disease was due to anterior poliomyelitis and that had been confirmed by your quorum, there could not have been any argument whatever about the payment of pension so far as the Pension Board was concerned, could there?—A. I think there may be some question of medical heresy involved in attributing the disease to anterior poliomyelitis.

Q. Had your Board however, attributed it to that disease then there would have been a specific finding that the disease which was before the Board of Pension Commissioners was the cause of the man's present condition. Is that not correct. In other words had your medical board found the disease attributable to this anterior poliomyelitis then the Board of Pension Commissioners would have to admit that.—A. Yes.

Q. That is, they decided that particular disease was not attributable to service and therefore the man was not entitled to pension. Had you found that the man's condition had been attributable to that disease it would be a reversal of the finding of the Board of Pension Commissioners and they would have been bound to pay the pension. I am asking if you had referred to the disease which had been considered by the Board of Pension Commissioners, they have asked no question about the jurisdiction and they would have been bound to pay the pension, is that not correct?—A. I cannot tell when the Board of Pension Commissioners would raise the question of jurisdiction.

By Mr. Caldwell:

Q. If the Federal Appeal Board decide that this man was not entitled to pension, there would be no appeal from the Pension Board?—A. In the appeal to the Federal Appeal Board he does not claim his disease is due to anterior poliomyelitis. He says, "I have a paralyzed left arm as a result of my war service". The Board of Pension Commissioners say, "No, in effect your paralyzed left arm is not the result of war service". The decision of the Board of Pension Commissioners is confirmed, as I have read it. It is "the disease" anterior poliomyelitis resulting in disability was not contracted on or aggravated on military service." Now, we are not convinced that a correct diagnosis of the disease was made, and therefore, there being doubt, difference of opinion among the medical men, whose evidence appears on the files, we accept the proposition made by the man, "Paralysis of my left arm is due to military service".

By Mr. Clark:

Q. May I just put this, for instance a case has been before the Board of Pension Commissioners and the man was suffering from, say, tuberculosis and they refused to award a pension on the ground that it was not attributable to service. It was appealed to your Board and your doctors find, and make a positive diagnosis, one that cannot be controverted, and find that the trouble is not tuberculosis at all, but some other disease, would you be exceeding your jurisdiction under the Act as it stands, in attributing this other disease to war service and awarding a pension?—A. We would have to examine all the circumstances of the case and see whether the tuberculosis was attributable to war service or not.

Q. If you found some other disease, absolutely foreign to what has been considered by the Board of Pension Commissioners to be the cause of his disability, would you have jurisdiction under the Act to award a pension?

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Now, that is my point, or would you have to point out this to the Board of Pension Commissioners and have to give them, under the Act, an opportunity of considering the pensionability of this man, with that other disease?—

A. It has frequently happened that the appellant mentions a new disease when he comes before the Appeal Board. Then we tell him, "Your appeal is not based on that disease. We will suspend the hearing. You take this back to the Board of Pension Commissioners."

The CHAIRMAN: I would remind the Committee of this fact, that if you create two bodies independently one from the other and having the right to adjudicate on cases and open up a case again you might create a pretty difficult situation. In fact the Board of Pension Commissioners might not be a Board any more. It might be the Appeal Board that would be the Board and you would have two bodies each complete, each with a distinct organization, having the right to render distinct judgments, and I do not know where that would take us.

Mr. SHAW: Where does it take us in the Criminal Code? There is no difficulty there.

The CHAIRMAN: I make no objection at all, but I want members of the Committee to think of this. We all know that it is a principle, and a court of appeal can only adjudicate and take into consideration the record as prepared before the Court in the first instance.

Mr. SHAW: The Supreme Court of Canada can on certain occasions hear further evidence. I certainly, before the Court of Appeal, have the right, if the applicant feels that he wants to offer further evidence for the reason that he did not have it heard before.

Mr. CLARK: It is very rarely exercised. I think the Committee has a very important matter to think over because we have to grapple with this matter.

Witness retired.

The Committee adjourned.

APPENDIX
FINANCIAL REPORT

(Submitted by Col. Thompson)

June 13, 1924.

ESTIMATED additional Liability involved by Pension Recommendations of the Royal Commission on Pensions and Re-Establishment as set forth in the Second Interim Report of the Second Part of the Investigation.

	Increase in Present Liability	Additional Annual Increase
Page 11. Re Section 12(1)— No statistics are available on which even an approximate estimate can be based. To procure this information will necessitate the review of all disability pensions awarded and refused together with all dependent pensions refused, and will take several weeks to complete.		
Page 15. Re Section 12(2)— No statistics are available on which even an approximate estimate can be based.		
Pages 16 and 17. Re Section 13— No additional liability is involved in this recommendation as regards disability pensions. With respect to death cases no statistics are available to show how many applications for dependent pensions have been refused under this section. It is estimated, however, that at least 500 applications have been or will be received from the dependents of men killed in action or who have died on service. Taking this figure on the basis of the average pension paid, namely that of a widow and two children, the estimated additional annual increase will be If the award is retroactive to date of death it is estimated that there will be arrears of pension amounting to an average of seven years, or an equivalent of approximately		\$522,000
Page 18. Re Section 17— No statistics are available upon which an estimate can be based. It is impossible to estimate the number of persons now on pension who may be committed to prison or the number of persons not now on pension who may eventually be awarded pension and be committed to prison.	\$4,000,000	
Page 22. Re Section 23(5) and 33(2)— The Board has no means of knowing how many pensioners will eventually die when pensioned in Classes 1 to 5 or the number of persons not now on pension who may eventually be entitled and be pensioned at the time of death in Classes 1 to 5 or the number of those in either of the above categories who may die leaving dependents. The Board is, therefore, unable to provide even an approximate estimate of the amount involved.		
Page 23. Re Section 31(3)— (a) In practice the benefits of this clause are limited to pensioners. No additional liability is therefore involved. (b) In practice the benefits of this clause are limited to cases where the parents are in a dependent condition. No further liability is therefore involved. (c) No statistics are available and a search of all files concerned will give no indication of the amount involved in future. The number of parent beneficiaries under this section was 815 as at 31-3-24 and the annual amount paid in respect thereof approximately \$80,000.		
Page 31. Re Section 33(1)— Estimated present liability per annum No statistics are available on which liability in future can be estimated but it is to be noted that cases will occur in which a prudent marriage has taken place subsequent to the appearance of the injury or disease for which pension is being paid, that the pensionable disability will increase so as to bring the pensioner within Classes 1 to 5 and that the pensioner will die of an injury or disease having no relationship to service. The proposed amendment will entitle the dependents to pension as of right.	\$203,040	

FINANCIAL REPORT—*Concluded*

	Increase in Present Liability	Additional Annual Increase
<i>Page 35. Re Section 34(1), (3), (4), (5) and (7)—</i>		
Estimated present liability per annum.....	\$616,000	
Estimated additional annual increase.....		\$48,000
<i>Page 37. Re Section 38—</i>		
Estimated additional annual increase.....		\$18,600
<i>Page 39. Re Section 41—</i>		
The Board has no statistics on which an estimate could be based. The number of widows who have remarried between 1-4-19 and 31-3-24, year by year, is as follows:—		
1-4-19 to 31-3-20.....	908	
1-4-20 to 31-3-21.....	772	
1-4-21 to 31-3-22.....	626	
1-4-22 to 31-3-23.....	495	
1-4-23 to 31-3-24.....	353	
Total.....	3,154	
<i>Page 43. Re Lump Sum Payments—</i>		
Without a general review of all files where pensioners have accepted final payments it is not possible even to give a rough estimate as to the additional financial responsibility involved.		
Up to 31-3-24 24,650 pensioners had accepted final payment.		
<i>Page 45. Re Schedules A and B—</i>		
No additional financial liability involved.		
<i>Page 45. Re Pension Bonus—</i>		
Disability pensions, per annum.....	\$4,184,375	
Dependent pensions, per annum.....	3,679,200	
Total annually.....	\$7,863,575	
<i>Page 49. Re T B Pensions—</i>		
Estimated additional annual increase.....		\$150,000
	\$12,682,615	\$738,600

J. PATON,
Secretary.

PERCENTAGE OF CASES RE-APPEALED

Submitted by Major Topp, June 19, 1924.

Total decisions by one Commissioner unfavourable to appellant, 259.
Total re-appeals by appellant, 217, or approximately 84 per cent.
Total decisions against Board of Pension Commissioners, 42.
Total re-appeals by Board of Pension Commissioners, 27, or 64 per cent.
Total decisions against D.S.C.R., 17.
Total re-appeals by D.S.C.R., 14, or 82 per cent.
Total decisions against both Departments, 19.
Total re-appeals by both Departments, 17, or 89 per cent.

HOUSE OF COMMONS,

FRIDAY, June 20, 1924.

The Special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers, met at 11 o'clock, a.m., the Chairman, Mr. Jean J. Denis presiding.

Mr. C. B. REILLY recalled.

The CHAIRMAN: We will continue with Mr. Reilly's evidence, but before he proceeds with the seven cases which are of interest to us, I should like to ask a few questions as to the working of this Appeal Board, and its procedure.

By the Chairman:

Q. Being a lawyer, Mr. Reilly, you know exactly what we mean by procedure. Would you tell us what is the procedure actually followed on any appeal before your Board; and to make my question clear, let us take the case of a person who has made application to the Board of Pension Commissioners for a pension, and the application has been rejected; then that person wants to appeal to the Board, what is the procedure followed from that point; that is, from the time the pension has been disallowed by the Board of Pension Commissioners?—A. The procedure is laid down in an Order in Council. Perhaps if I read it, it would answer your question.

Q. Is that provided for in an Order in Council?—A. Yes.

Q. That is sufficient then?—A. It is P.C. 212.

Q. That Order in Council indicates in detail what procedure has to be followed?—A. Yes. It begins with the notice of appeal sent by an appellant, or on his behalf to the Secretary of the Federal Appeal Board at Ottawa. Upon receipt of the notice of appeal the file of the soldier is drawn from the Soldiers' Civil Re-establishment, and it is determined whether or not the grounds set up by the appellant entitle him to an appeal to bring the case within the jurisdiction of the Board. Then the Official Soldiers' Adviser is given access to the file, and he prepares a statement of the case. In most cases, the appellant retains the Official Soldiers' Adviser. Then the case is sent down for hearing in the province where the appellant resides, and the case is called when a member of the Board is in that province. Cases are called before a member of the Board or a quorum, and representations are made on behalf of the appellant by the Official Soldiers' Adviser. The appellant is allowed to make a statement on his own account. No new evidence is admitted, and judgment is given on the record and evidence before the Board of Pension Commissioners or the D.S.C.R. as the case may be. Then the Order in Council provides that the formal judgment of a quorum of the Board shall be signed by the Chairman or presiding Commissioner and the Secretary. That is, unit judgments are handed down; no dissenting judgments are filed. "In case the appeal is allowed, the formal judgment shall contain such information regarding the nature and time of origin of the disability in respect of which appeal is made as to enable the Board of Pension Commissioners or the D.S.C.R., to intelligently assess the pension or extend treatment." The last clause reads, "In case the appeal is disallowed, the formal judgment shall contain such information regarding the nature of the disability as will enable the Board of Pension Commissioners to determine whether a further claim for pension on new grounds may be entertained."

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The CHAIRMAN: Is it the desire of the Committee that this Order in Council be embodied in our proceedings so that everybody can read it and study it?

Hon. MEMBERS: Yes.

"P.C. 212.

AT THE GOVERNMENT HOUSE AT OTTAWA

FRIDAY, the 8th day of February, 1924.

HIS EXCELLENCY THE GOVERNOR GENERAL IN COUNCIL

"His Excellency the Governor General in Council on the recommendation of the Minister of Soldiers' Civil Re-establishment, and pursuant to Sections 11 and 13 of Chapter 62, 13-14 George V, being an Act to amend the Pension Act, and pursuant to Section 2 of Chapter 69, 13-14 George V, being an Act to amend the Department of Soldiers' Civil Re-establishment Act, is pleased to make the following rules and regulations and the same are hereby made and established accordingly:

1. "The Federal Appeal Board may hear appeals from decisions of the Board of Pension Commissioners concerning pensions, and appeals from decisions of the Department of Soldiers' Civil Re-establishment as to the rights of former members of the Forces to treatment with pay and allowances and such appeals may be heard by a member or members of the Board at the following places from time to time as occasion may demand: Ottawa, Halifax, St. John, Charlottetown, Quebec, Montreal, Kingston, Toronto, Hamilton, London, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver and Victoria provided that if at any time there are in the opinion of the Board a sufficient number of appellants at any place and it is considered that it would be more convenient to hear appeals at such other place, the Board or any member thereof may sit at such place;

2. "The Federal Appeal Board, if requested by the proper authority of His Majesty's Government, may hear appeals of former members of the Imperial Forces against decisions of the Ministry of Pensions, subject to proper provision for repayment of expenses involved;

3. "The following appeal procedure in respect of eligibility for pension, or treatment with pay and allowances shall be operative:

"(a) Notice of appeal shall be sent by the appellant or on his behalf, by letter addressed to the Secretary, the Federal Appeal Board, Ottawa. The notice should state whether the appeal is taken against a decision of the Board of Pension Commissioners or the Department of Soldiers' Civil Re-establishment, and it should give the address to which communications regarding the appeal may be directed;

"(b) Upon receipt of notice of appeal otherwise than through the Official Soldiers' Adviser or other representative of the appellant, the Federal Appeal Board shall refer the case to the Official Soldiers' Adviser or other representative, who after examining the Unit office file in the presence of a representative of the Department of Soldiers' Civil Re-establishment, as provided for in paragraph (d), (e) and (f) hereunder, shall advise the appellant whether in his judgment it is advisable for him to proceed with his appeal. Should he recommend that the appeal be not proceeded with, the appellant shall have the right to withdraw it or not, as he deems best;

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"(c) When an appeal is to be proceeded with, the Federal Appeal Board shall forward to the Unit Office of the Department of Soldiers' Civil Re-establishment a list of all relative papers on the Head Office file. If it is found that there are any relative papers not on the Unit file, a copy of the same shall be made and shall be forwarded to the Unit Director of Administration or, for any sittings of a quorum of the Board, the Head Office file may be forwarded to the Unit Office.

"(d) In cases where the Official Soldiers' Adviser is acting for the appellant the Official Soldiers' Adviser shall have reasonable access to the file relating to the appellant's claim in the presence of a representative of the Department of Soldiers' Civil Re-establishment, provided (i) that a written request is received from the appellant that the case to be taken up by the Official Soldiers' Adviser or in the case of his applying in person to the Official Soldiers' Adviser that written authorization is furnished by him that the Official Soldiers' Adviser be granted access to the file, or (ii) that the case has been referred to the Official Soldiers' Adviser by the Federal Appeal Board.

"(e) Should appellant desire that his case be handled by counsel or representative other than the Official Soldiers' Adviser, authority for such counsel or representative to see the file in the presence of a representative of the Department of Soldiers' Civil Re-establishment may, in the discretion of the Department, be granted by the Deputy Minister. The conditions respecting the production of files to the Official Soldiers' Advisers shall also apply to any other representative;

"(f) Access to the file of any former member of the forces shall only be granted to an Official Soldiers' Adviser or other representative of an appellant on his undertaking to respect the confidential nature of any information contained therein or otherwise communicated to him in the course of his duty, that he will disclose such information to the appellant only insofar as is necessary to enable such additional evidence or proof to be produced in substantiation of the appellant's claim and will not disclose to the appellant or to anyone else except the Department of Soldiers' Civil Re-establishment, the Federal Appeal Board or the Board of Pension Commissioners, the name of the informant or the source of such information as may be contained on the said file.

"(g) Should it be found by the appellant, the Official Soldiers' Adviser, or other representative of the appellant, that there is evidence in support of the claim which had not been considered by the Board of Pension Commissioners or the Department of Soldiers' Civil Re-establishment, the Federal Appeal Board shall be notified and the appeal shall not be disposed of until the new evidence has been submitted to the Board of Pension Commissioners or the Department of Soldiers' Civil Re-establishment, as the case may be, and a further decision given;

"(h) The Federal Appeal Board shall give the appellant and the Official Soldiers' Adviser, not less than seven days notice—by letter or telephone sent to the address given on the Notice of Appeal—of the date and place at which his appeal will be heard.

"(i) Should an appellant fail to proceed with his appeal at the time at which it is set down for hearing, the Commissioner presiding at the hearing may in his discretion dismiss the case, in which event there shall be no further right of appeal, or allow it to stand over until another occasion on which appeals are heard in the district in which he resides;

"(j) The provisions of Section 11 of Chapter 62, 13-14 George V, relating to procedure and practice shall apply, mutatis mutandis, to appeals made under Section 2 of Chapter 62, 13-14 George V;

"(k) The out-of-pocket expenses of an appellant whose appeal is maintained whether by a member of the Board or a quorum thereof shall be paid on the scale provided for in Clause 20 of Order in Council P.C. 580, dated the 10th day of March, 1922, as amended;

"(l) In appeals from decisions as to the right of former members of the forces to treatment with pay and allowances, when a decision in favour of the appellant is given the costs or allowances antecedent to the appeal—including the cost of medical treatment and hospitalization and the issue of pay and allowances shall only be paid in accordance with the regulations of the Department of Soldiers' Civil Re-establishment;

"(m) In all cases, the appellant and the Board of Pension Commissioners or the Department of Soldiers' Civil Re-establishment, as the case may be, may by consent in writing, with the approval of the Board, or the presiding member thereof, dispense with the form of proceedings herein mentioned, or some portion thereof;

"(n) After hearing the case, the Board or presiding member thereof may allow the appeal or disallow the same or reserve its decision as may be warranted by the evidence and may seem to it or him just;

"(o) The formal judgment of a quorum of the Board shall be signed by the Chairman, or presiding Commissioner, and the Secretary;

"(p) In case the appeal is allowed, the formal judgment shall contain such information regarding the nature and time of origin of the disability in respect of which appeal is made as to enable the Board of Pension Commissioners or the D.S.C.R. to intelligently assess the pension or extend treatment.

"(q) In case the appeal is disallowed, the formal judgment shall contain such information regarding the nature of the disability as will enable the Board of Pension Commissioners to determine whether a further claim for pension on new grounds, may be entertained.

"(Sgd.) E. J. LEMAIRE
Clerk of the Privy Council."

By the Chairman:

Q. An appeal may be taken either before a quorum of the Board or before a member of the Board. What is the authority to decide whether an appeal is to be heard before a quorum or before a member of the Board?—A. There is none.

Q. The Board themselves decide that, really?—A. Yes. Up to this time, desiring to cover the whole country as soon as possible, we felt it was better to hold individual hearings, but as was stated in Major Topp's evidence, so many appeals have been taken from the decisions of Commissioners sitting alone that it has been decided to hold quorum meetings in the future and decide all cases on the one hearing.

Q. You have stated that the appeal is heard upon the evidence and record. This is in accordance with Section 11, chapter 62 of the statute of 1923. In subsections 1 and 2 of section 11 it is provided that the appeal will be taken upon the evidence and record. On the other hand, I find in Section 12 of the same Act the following subsection, which is subsection 2.

"(2) The Federal Appeal Board shall have power to appoint a person or persons to hear and receive evidence with respect of any matter

[Mr. C. B. Reilly.]

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pertaining to pensions, and such person or persons shall have authority to administer oaths and to hear and receive evidence under oath and to take affidavits in any part of Canada."

I have been unable to understand the reason for this. On the one hand, Section 11 says the evidence and record will be submitted to you and nothing more than Section 12, Paragraph 2 says you will have the power to take evidence. Can you explain this?—A. I think there is a conflict between the two sections. It was thought for a time that we might have power to take new evidence, relying on the language of Section 12. The matter was discussed at an early stage of the organization meetings of the Federal Appeal Board and it was decided that we would be bound by Section 11, and that we would take no action under the evidence given us by Section 12.

Q. As a matter of fact, have you ever taken evidence under Section 12 in any one case that has been submitted to you?—A. No, no case of that nature has arisen yet.

Q. You take the stand that Section 11 must prevail and that under that Section you are to proceed upon the evidence and record only?—A. That is it.

Mr. HUDSON: Would you mind reading Section 11?

The CHAIRMAN: (Reads).

"Upon the evidence and record upon which the Board of Pension Commissioners gave their decision an appeal shall lie in respect of any refusal of pension by the Board of Pension Commissioners on the grounds that the disability resulting from injury or disease or the aggravation thereof or that the injury or disease or the aggravation thereof resulting in death was not attributable to or was not incurred during military service."

The first line, as I have just read it, states very plainly that this appeal shall lie on the evidence and record that are before a quorum of the Board. Then subsection 2 of the same Section reads as follows:

"Every member of the Board shall also have the right to hear, but only upon the evidence and record upon which the Board of Pension Commissioners gave its decision, such appeals at such times and places as are fixed by regulations made and approved by the Board, and to give decisions thereon."

Mr. HUDSON: That is the prohibitory section; the section that would prevent the hearing of new evidence?

The CHAIRMAN: Yes, these two subsections, one and two of Section 11, seem to prohibit absolutely the taking of new evidence, but subsection 2 of Section 12 says "The Federal Appeal Board shall have power to appoint a person or persons to hear and receive evidence with respect of any matter pertaining to pensions" and so on.

By Mr. Hudson:

Q. I believe the members of the Appeal Board thought that another medical examination would be useful. In your opinion, Mr. Reilly that could not be done?—A. No, we think we have not the right to have the appellant brought before a medical man for examination.

By Mr. Clark:

Q. What in your opinion is the effect of the last subsection read by the Chairman?

The CHAIRMAN: You mean subsection 2 of section 12?

Mr. CLARK: Yes.

WITNESS: I really cannot understand why it is incorporated in the Act.

By Mr. Clark:

Q. Have you ever taken any legal opinion on it?—A. No, we have not taken any legal opinion on it. It has never seemed desirable to proceed under that section.

By Mr. Hudson:

Q. Is there any step like this, of taking new evidence or re-submitting a case to the Pension Board to take new evidence?—A. Yes, when notice of appeal is given the appellant is asked if he has any new evidence to submit in addition to that which has already been considered by the Board of Pension Commissioners. If a reply in the affirmative is given he is advised that he must submit to the Board of Pension Commissioners; a ruling must be taken upon it before the appeal can be taken to the Appeal Board. It sometimes happens at the hearings that new evidence is taken. Then we advise the appellant that we cannot consider any new evidence, but if he thinks it is of sufficient importance to his case he can withdraw his case from the Appeal Board and have it considered by the Board of Pension Commissioners.

By Mr. Caldwell:

Q. Then he can come back to the Appeal Board?—A. When he gets his fresh decision he can come back to the Appeal Board.

By Mr. Clark:

Q. For instance, the Federal Board finds that a man cannot succeed with the evidence before it and you are advised that there is other new evidence on the case, which in your opinion would enable a man to succeed, you would advise him to go ahead and withdraw his case and submit evidence to the Pension Board with a view of having his case reconsidered?—A. That has happened. He is usually represented by the official of the Soldiers' Advisory, who is pretty well posted on the value of the evidence.

The CHAIRMAN: Shall we proceed with the seven cases?

By Mr. Clark:

Q. What, if any, change would you suggest in that procedure?—A. I think it works out very well as it is.

By Mr. Caldwell:

Q. Except that your decisions are not always enforced by the Pension Commissioners?—A. That comes under another subsection of Section 11.

By Mr. Clark:

Q. Was that the one you were considering yesterday?—A. Yes, the question of the finality of the decision given by the Appeal Board and as to the method of reviewing the case.

By the Chairman:

Q. Have you ever examined whether or not the jurisdiction provided in subsection 1 of Section 11 of the Statute of last year is the same as that provided in subsection (a) of Section 11 of the Act as amended by the Statute of last year?—A. I take it that—

Q. To make this clear, we might say to the Committee that last year section 11 of the Act was appealed and replaced altogether by a new section,

[Mr. C. B. Reilly.]

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which is still Section 11 of the Act, but it was repealed last year and replaced by this new section. There is Section 10 of Chapter 62 of the Statute of 1923 which creates the Appeal Board and then Section 11 has reference to the jurisdiction of the Board and we find pretty nearly the same language in the two sections which I have just quoted now, so I would like to know if you have ever been called upon to decide whether the language is identical or the meaning is identical, the language not identical, but the meaning identical?—A. It has been assumed that the two sections mean the same thing, that is the enabling section 11 uses the same language in describing a disability as that used in Section 11 (a).

Q. So you have proceeded on the assumption that the two sections mean the same thing?—A. Yes. The first section gives the Board of Pension Commissioners authority to grant pensions and the next section gives a right of appeal in respect of findings made on that section.

The CHAIRMAN: Any other questions about this part of the evidence. Yesterday you stated one case of the seven.

WITNESS: I wanted to make this statement about this case. I had read at the beginning of my evidence the Sections defining the jurisdiction of the Board. Then in the Rollins case it is important to bear in mind the language of the Order in Council about procedure with respect to judgments. Section (p) provides that the formal judgment shall contain such information regarding nature and time of origin of disability in respect of which appeal is made as to enable the Board of Pension Commissioners or the D.S.C.R. to intelligently assess the pension or extent of the treatment. In the Rollins case the Board of Pension Commissioners found that the disability resulted from anterior poliomyelitis and the Federal Board while reversing these decisions did not state whether the latent cause or the remote cause of the condition was anterior poliomyelitis. Now it may be contended that Clause (p) of the Order in Council requires that we should put a definite name on the disease which brought about the condition that the appellant is suffering from. My opinion is that if we say that the disability consists in the loss of use of the left arm and assign as the cause of that loss of use paralysis of the arm—and that is admitted by all the doctors in the record—we do not have to go further back from that and again assign the cause for the paralysis. In this case and in the others that I would make reference to, all that I can say about the decision of the Pension Board is that it comes to us in the shape of their letters. I have read these letters in the Rollins case and I would suggest that possibly some member of the Board of Pension Commissioners could give fuller explanation as to their attitude in respect of these cases.

By Mr. Clark:

Q. I want to be clear on one point. You say that you cannot take new evidence, but supposing, after considering the evidence that is given before the Board of Pension Commissioners, you find that the disability is attributable to service but is really a different disability from that found by the Board of Pension Commissioners, have you power, have you jurisdiction under the Act as it stands to consider the new disease or injury?—A. That raises a very important question, that of defining the issue upon which judgment should be given. The appellant's claim is, "I am disabled as a result of my war service." He very seldom says exactly in what way nor does he ascribe the disease which caused the disability but usually in the course of the discussion which arises about the case in the file, we find at a very early stage what is the matter with the man, what is the disease. I think if we discovered an entirely new disability it would not be fair to give judgment on that ground.

Q. To give what?—A. To give judgment on that ground

[Mr. C. B. Reilly.]

Q. Let us get it quite clear: supposing the Board of Pension Commissioners find that the man is suffering from a disease and they say that it is not attributable to service and you, on the same evidence, find that he is suffering from quite a different disease which, in your opinion, is attributable to service, can you on that ground reverse the decision of the Board of Pension Commissioners and award a pension?—A. If the disability were the same?

Q. You are not following me.—A. If the disability were the same I feel that we would have the right.

Q. I quite understand that if the disability is the same and you reverse the Board of Pension Commissioners' decision and say it "is attributable to service," thereupon the man would become entitled to a pension, but we take the other case, you, in considering the evidence that the Board of Pension Commissioners had before it, find in that evidence that the man is suffering from quite a different injury or disease and you are satisfied it is attributable to service, can you on that ground reverse the decision of the Board of Pension Commissioners?—A. Not if it results in a different disability; not if the disease results in a different disability.

Q. My point is that the Board of Pension Commissioners—I am assuming that the Board of Pension Commissioners in considering the evidence has overlooked entirely, has failed to recognize entirely the existence of some trouble that undoubtedly is due to war service and you find that—they did not find it at all to be the case—and you base your findings on the very evidence the Board of Pension Commissioners had before it; have you power under the Act in a case like that to award a pension or rather reverse the decision of the Board of Pension Commissioners and award a pension?—A. I would like to point this out, that we have so many cases coming before the Board that they illustrate almost any type of a claim of that nature that can come up, and we have made it a rule not to give judgment on hypothetical cases but must consider all the circumstances in the individual case before us.

Q. Then I assume you have never had such a case before you. Have you ever had before you a case where, in your opinion, the Board of Pension Commissioners had overlooked altogether an injury or disease attributable to service, as shown by the evidence the Board of Pension Commissioners had before them? That is not a hypothetical case at all, and I think it is very important that this Committee should know.—A. There was a case very early in the operation of the Board that would come within the one that you mention. That was the case of Sweatenham. Sweatenham appeared before the Board, suffering from a disability. His story showed he had not been able to work since he came back from the front. It was not clear whether it was neuristhenia or what was the matter with him, but he was away under par. The Board of Pension Commissioners had never been able to fix the name of the disease this man was suffering from. They had conducted lengthy examinations, had him examined by many doctors and not being able to name the disease they had refused pension. In that case we found the man was suffering from debility which might be attributed to neuristhenia. We granted a pension. That is the only one I remember where—

Q. I assume from your remarks that practically it has never occurred that the Board of Pension Commissioners overlook actually the existence of the disability that the man was suffering from. The fact is that they generally find out what the trouble is, at any rate?—A. Oh, yes. The main question that arises is whether or not the trouble is attributable to service at discharge.

Q. That is what I want to know?—A. And in all cases a very exhaustive inquiry had been conducted into the case before it comes to us.

[Mr. C. B. Reilly.]

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By Mr. Caldwell:

Q. In the case you cite did the Board of Pension Commissioners accept your decision and award the pension?—A. Yes.

Q. Was that decision by a quorum of the Board?—A. That decision was by a quorum of the Board.

Q. It was not questioned by the Board of Pension Commissioners?—A. It took a little time. I think a month or so elapsed after the judgment before pension was paid. I am finished now with the Rollins case.

By the Chairman:

Q. What is the next?—A. The next case is that of Isaac Walker, a case from Nova Scotia. Commissioner Meath gave a decision in that case. The second part of the decision is as follows:—

“After examining the evidence and the record upon which the Board of Pension Commissioners gave its decision the Commissioner now decides that the otitis media was a condition which pre-existed enlistment, was aggravated on service and gradually extended to the brain, resulting in death and that was attributable to his military service. The Commissioner therefore orders that said decision of the Board of Pension Commissioners for Canada be reversed and set aside and the said appeal allowed.”

By the Chairman:

Q. What was the decision appealed from?—A. Where they separate is on this point: the Board of Pension Commissioners decided that the aggravation during service did not result in this soldier's death. Commissioner Meath found that the condition, which was aggravated on service, gradually extended to the brain, resulting in death, and that death was due to his military service.

Q. Therefore both Boards found that the disease had been aggravated during service?—A. Yes.

Q. But in one case the Board of Pension Commissioners found that death was not caused by that aggravation and your Board found that the death was caused by that aggravation?—A. Yes.

By Mr. Caldwell:

Q. Was this man pensioned for the aggravation during service?—A. At the time of his death.

Q. Was he pensioned during his life time?

By Mr. Humphrey:

Q. I would take it for granted that he would be if the Board of Pension Commissioners had admitted aggravation?—A. Aggravation on service. I will look through the files and give you that.

By Mr. Caldwell:

Q. The Board of Pension Commissioners had admitted aggravation in this case?—A. The Board of Pension Commissioners had admitted aggravation in this case.

Q. Therefore, no doubt, he was pensioned for it?—A. It is clear that there had been aggravation on service. I would judge from the file that he was not in receipt of the pension. There is a note in the memorandum from the Board of Pension Commissioners at the time of the death he had less than a five per cent disability, which was in keeping with the pathological condition present at the time of enlistment and found aggravation negligible in view of the fact that he had not complained on treatment during service.

[Mr. C. B. Reilly.]

Q. What was the record of him having this disability when he enlisted?—

A. That he had had an infection of the ears several years before enlistment. It had cleared up and had not bothered him at all at the time of his enlistment nor during his service.

Q. He was all right by this time?—A. He was all right by this time, but there is in his medical history after he was wounded—he was wounded in the neck—while he was in hospital suffering from this wound the condition of the ear became quite accentuated and there was a discharge of excoriated pus from the ear.

By Mr. Humphrey:

Q. Do you know whether at the time of his discharge the Board examined for any trouble in his ear or for the shrapnel he had in his neck?—A. It would seem here the ear was examined and there was found less than five per cent disability.

By Mr. Robinson:

Q. What about the piece of shrapnel. It seems he had a piece of shrapnel in his neck near the jugular vein?—A. I think it was considered only on the ear condition.

By Mr. Clark:

Q. Do the papers show that there was a piece of shrapnel? Was it removed?—A. I do not remember that there was a piece of shrapnel in his neck.

Q. What does the medical history show?

The CHAIRMAN: I do not think this can help us any.

WITNESS: We did not go into the question of the other wound because it was solely on the ear condition.

Mr. CLARK: Mr. Robinson was suggesting the thought that the real disability was caused by a piece of shrapnel near the jugular vein.

Mr. ROBINSON: What I wanted to know was what they decided was the five per cent disability.

By Mr. Clark:

Q. Do these documents show that he had a piece of shrapnel in his neck near his jugular vein, because I cannot understand medical officers not considering that when they were considering him for his discharge.

The CHAIRMAN: These are, I understand, questions of fact. We are interested in questions of law but to illustrate my thought, it is this: this man suffered a certain disability before service. He had been ill or sick due to disease of some kind. He enlists. While on duty, while on service he suffers an aggravation of it.

Mr. CLARK: I understand perfectly. All I want to know is whether we are considering a disability in the ear or whether we are considering a disability caused by a shrapnel wound in the neck or whether we are considering both disabilities. That is all I want to know, so that I can follow the difference.

The CHAIRMAN: I have no objection, but this will not take us anywhere, in my opinion. The fact is his condition was aggravated on service. That is admitted. Being aggravated on service the Board of Pension Commissioners say that death did not result from the aggravation. The Appeal Board says death did result from that aggravation. On that finding of the Appeal Board the Board of Pension Commissioners say: "We will not grant a pension or

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we will not execute the judgment." That is the question of law which comes before the Committee, I understand.

WITNESS: The Board of Pension Commissioners takes the ground that Commissioner Meath's judgment constitutes an estimate of the extent of aggravation during service, and that his judgment is ultra vires in stating that the aggravation resulted in death, and this leads us to a closer examination of the language of subsection 1, paragraph 11.

By Mr. Clark:

Q. Have you any copies of the Act here?—A. I have only one here.

Mr. CALDWELL: I would like to suggest that each member of the Committee should be supplied with a copy of the Pension Act and with a copy of the Appeal Board Act as well, for our use.

The CHAIRMAN: They disappear after each sitting.

Mr. CALDWELL: The secretary could take charge of them.

By Mr. Clark:

Q. What section does this come under?—A. Section 11, chapter 62; 13-14 Geo. V.

Q. What subsection?—A. Subsection 1. The case is a very important case. It illustrates exactly the varying doubts which may be entertained as to the meaning of subsection 1 of section 11. The view taken by the Board of Pension Commissioners in this case and in some others is that there is no appeal to the Federal Board on a question of aggravation unless the Board of Pension Commissioners admits that the aggravation resulted in death, that is, if the Board of Pension Commissioners in this case had said "Yes, the aggravation resulted in death but no pension should be granted to dependents."

Q. In other words if the medical finding is that the cause of death was due to aggravation of a certain pre-war disease or a wound incurred on service, then a pension could be awarded or there could be no appeal?—A. I think that is about the effect of it.

Q. But if the finding is that the death was in no way connected with the aggravation of an injury or disease, then no appeal could lie with respect to that particular point; that is, it would be beyond your jurisdiction, they say, to award a pension, attributing the cause of his death to an aggravation of a pre-war disease or a war injury?—A. It is rather complicated. I have made a memorandum about it here. I think I cover that point. If the Board of Pension Commissioners find that the aggravation did not result in death, the Appeal Board has no jurisdiction to hear the appeal because it is immaterial whether such aggravation was incurred during service or not. The Board of Pension Commissioners having already decided that it was not the aggravation which resulted in death. I am quoting from letters of the Board of Pension Commissioners on that question. The view taken by the Federal Appeal Board is that if we find that there was a substantial aggravation during service of a disease which ultimately causes the death of the soldier, then it can be held that the death is attributable to service, and that is exactly what we did in this case.

By Mr. Humphrey:

Q. That decision is based on the aggravation of this affection of the ear, aggravation on service?—A. Yes, aggravation on service. The story is that the ear condition began several years before service. It was aggravated during service and after the man's return to Canada the condition grew gradually worse, extended to the sinus.

Q. The medical evidence substantiates that?—A. Yes, extended to the sinus and then to the brain and then caused death.

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The CHAIRMAN: Is this clear enough to the Committee?

Mr. HUMPHREY: It is clear enough to me.

The CHAIRMAN: This is how I see it; The Board of Pension Commissioners say to the Appeal Board "your jurisdiction is limited to determine whether or not disability, disease or death is attributable to service; when we hand down our judgment is a case and say the disability is not attributable to service, it is within your powers to revise our judgment and say that this disability or disease is attributable to service; but you cannot go any further. Therefore, when it is admitted that there was aggravation or we say there was an aggravation of the disability, or we go further and say this aggravation did not result in death; you can go as far as to state that there was aggravation; we say there was aggravation, and you say the same but having admitted there was aggravation you cannot go further; you cannot add that this aggravation resulted in death because if you added that you are beyond your jurisdiction. Your jurisdiction is to establish whether or not it is attributable to service, whether or not the aggravation is attributable to service." In this case both the Boards admit that. Therefore, after the Appeal Board has admitted that which is within their jurisdiction, they cannot go any further and decide that it caused death. That is how I see it. Reading the law, it would appear that there is considerable ground for sustaining the decision of the Board of Pension Commissioners. Of course, it is only a matter of drafting the law.

Mr. CLARK: You put the matter very clearly, Mr. Chairman, but I arrive at a different conclusion. I have followed the reasoning of the Board of Pension Commissioners on the previous case perfectly, but I must confess I do not quite see their reasoning in this case.

Mr. CALDWELL: I see your viewpoint, Mr. Chairman, but I think there is another. The contention is that this man's death is attributable to service, and the pension Board deny that. It is due to aggravation in service and therefore due to service. This is worse than I thought it was the other day. I said the other day that as the Pension Board allowed the claim due to service and granted a five per cent disability pension, they had no right of appeal. In this case they admit he had aggravation and they did not pension at all and they still deny the right of appeal.

The CHAIRMAN: Their contention is this—

Mr. CALDWELL: I see your point, and I admit there is a chance of conflict between the two Boards on those grounds in every case. Still, it emphasizes the necessity of giving the right of appeal on assessment as well as on attributability. This convinces me, although I was pretty well convinced before that the soldier should have a right to appeal on the assessment of disability as well as on attributability. If that were done, there would be no question in these cases.

Mr. HUMPHREY: Was not that the intention of the Act as it passed the House of Commons?

Mr. CALDWELL: Yes, it was, but as amended by the Senate it was restricted to attributability alone. There is a very fine point in this case, and I admit there is a chance of conflict. Another point, Mr. Chairman, in a criminal trial, in the trial of a man for murder, he is given the benefit of the doubt, but it does not look here that in this case the Pension Board are willing to give the appellant the benefit of the doubt at all. Every fine technical point of law is invoked against him.

Mr. HUMPHREY: If you had legislation to cover whether an applicant could appeal against the assessment of his disability, could you not clean up a good many of your cases?

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WITNESS: No, at least I do not think the question of assessment really comes into this case. We do not attempt to determine whether during service this man's aggravation was aggravated to the extent of five, ten or twenty per cent; we merely say that there was aggravation during service, and the man subsequently died of the disease which had been aggravated during service. There is nothing in the law which requires that a certain percentage of the aggravation shall be due to service to make his dependents pensionable. If it contributed in any way to the death of the man, then his dependents are pensionable.

Mr. HUDSON: We are not sitting as a Board of Appeal on the Pension Commissioners. We are here to revise the legislation if we think it advisable. The Board of Pension Commissioners having refused to act on the decision of the Board of Appeal, it is up to us to amend the Act so as to prevent an incident like that from occurring in future, if we think it is one that should not occur. Now, in regard to that particular case is there any amendment to the Act which you would suggest, Mr. Reilly?

WITNESS: In my opinion the section is broad enough to admit of the interpretation that we have placed upon it and of giving the judgment which we have given on it, a good judgment.

By Mr. Hudson:

Q. But the Board of Pension Commissioners having taken a contrary view, and there being no power in this Committee to compel them to take another view, what is your suggestion as to what we should do?—A. I think the case would be discussed from this angle: If the Committee should come to the conclusion that the language is hardly wide enough to justify the interpretation we placed upon it, and it is desirable that it should be widened, then I presume you would widen it. My submission is that it does not require any widening, and, further, in the matter of carrying out the judgment the Board of Pension Commissioners have no jurisdiction. They have no right to review the findings of the Appeal Board on questions of jurisdiction or other questions.

Q. Would your suggestion then be that the law should be so changed that the Board of Appeal should be supreme in questions in regard to jurisdiction?—A. I do not think the law requires any change for that purpose.

Q. Then why the difficulty?—A. I am merely explaining the working out of the Federal Appeal Board and what snags we run into.

By Mr. Robinson:

Q. How are we going to bring the Board of Pension Commissioners to realize their position?—A. There may be another way out of it, the constitution of another appeal board to decide whether or not the decisions of the Appeal Board are right.

The CHAIRMAN: We can remedy it pretty easily either by retaining subsection 1 of Section 11, or by inserting a proviso that in no case shall the Board of Pension Commissioners question the jurisdiction or a judgment of the Appeal Board, and that in all cases, whether right or wrong, whether within their jurisdiction or outside of it, they must apply the judgment.

Mr. HUMPHREY: Where do you get that it is within their jurisdiction?

Mr. CLARK: That is the general law; nobody can act beyond their jurisdiction.

The CHAIRMAN: Nobody can go beyond their jurisdiction.

WITNESS: In most courts there is a proviso for the review of the findings of a judge; if the judge exceeds his jurisdiction it can be taken before a higher court.

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Mr. HUMPHREY: This Committee could decide that the Board of Pension Commissioners were exceeding their jurisdiction in questioning the Board of Appeal judgment.

Mr. CLARK: What good would it do unless you put it in the Act?

WITNESS: I have just a few more words to say on that case in view of the possibility of an amendment. My submission is that the words "or the aggravation thereof" do not mean anything at all, and we should not pay any attention to them, if we are to accept the contention of the Board of Pension Commissioners on it. It is summed up here in about ten lines. (Reads).

"The law may be more explicitly stated as follows:—

"(a) An appeal lies where the Board of Pension Commissioners admits that the aggravation resulted in death but refused pension to the dependents on the ground that such aggravation was not 'incurred during service.' The statute provides that the Federal Appeal Board may in such instance find that the aggravation 'was incurred during service.'

"(b) If the Board of Pension Commissioners finds that the aggravation did not result in death, then the Federal Appeal Board has no jurisdiction to hear the appeal because it is immaterial whether such aggravation was incurred during service or not, the Board of Pension Commissioners having already decided that it was not the aggravation which resulted in death."

That is on the question of fact whether the aggravation resulted in death.

"The Federal Appeal Board has no powers conferred on it by the Statute to assess the extent of a disability incurred on service or the extent of an aggravation on service of an injury or disease pre-existing enlistment."

By Mr. Clark:

Q. Do you agree with 1 and 3?—A. I agree with the last proposition.

Q. And with 1; 2 is the one in dispute?—A. Yes, 2 is the one in dispute.

Q. And you agree with 1 and 3?—A. I feel quite clear in 1. If the Board of Pension Commissioners admitted that the aggravation did result in death, there would be very few appeals on that account.

Q. They say they admit that the aggravation resulted in death but that it was not attributable to service. You could reverse that. That is the first proposition. Read it again?—A. (Reads).

"An appeal lies where the Board of Pension Commissioners admits that the aggravation resulted in death."

Of course, there would not be any appeal from that finding.

Mr. CLARK: Read on.

WITNESS: (Reading).

"But refused pension to the dependents on the ground that such aggravation was not 'incurred during service.' The Statute provides that the Federal Appeal Board may in such instance, find that the aggravation 'was incurred during service'."

By Mr. Clark:

Q. You agree with that proposition?—A. Quite.

Q. You agree with 1 and 3, but you do not agree with 2?—A. That is it. The third case is from Victoria, B.C. Harriss. One member of the Appeal Board decided that the death—

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By the Chairman:

Q. Before you go on, would you quote the judgment of the Board of Pension Commissioners?—A. The decision of the B.P.C. in respect of which the original appeal was heard was that "The ruptured aneurism of the aorta resulting in death of Captain Hatton Harriss was not caused by injury or disease contracted on active service or due to aggravation on service of a pre-existing injury or disease."

By Mr. Caldwell:

Q. In layman's English, what do these terms mean?—A. Heart disease. The lower part of the heart was diseased, extended, and finally burst, causing death. Death occurred within three years' of discharge. The judgment which I gave in this case is as follows:—

"This is an appeal against a finding of the Board of Pension Commissioners for Canada to the effect that the ruptured aneurism of the aorta resulting in death of Captain Hatton Harriss was not caused by injury or disease contracted on Active Service or due to aggravation on service of a pre-existing injury or disease. It was argued before me in Victoria, B.C., on the eighteenth day of January, 1924. The appellant was present and was represented by Mr. G. H. Sedger, Official Soldiers' Adviser for Victoria, B.C.

"Captain Harriss enlisted in August, 1915, and was struck off strength on the 5th of November, 1917, on account of being surplus to requirements. The medical history on discharge reads:

"Well nourished, apparently healthy, eats and sleeps well. Has no complaints. Heart sounds irritable. Lungs: Very moist rales over left lung in front due to present cold."

"He re-enlisted in April, 1918, in a special service company and was discharged on the 28th of February, 1919. The file does not show what his physical condition was at the time of his second discharge. On the 16th of February, 1922, he died from hemorrhage following rupture of aneurism of aorta; the aortic valves were scarred and contorted, the right lung had been encroached upon by the aneurism, the left pleural cavity was filled with fluid and the surface of the sternum was eroded by the aneurism. There is on the file a certificate from A. C. Davies, M.D., dated the 13th of February, 1923, stating that Captain Harriss entered the Canadian Service a strong man and that when Dr. Davies saw him at the close of the war, he was all gone to pieces with heart trouble and asthma, which arose during and consequent upon his service.

"As a result of opinions received from the Medical Officers of this Board, I am convinced that the aneurism which caused Captain Harriss' death was of long standing and that it pre-existed his enlistment. It is to be remembered that in 1917, when he was first discharged from the service, the heart sounded irritable. He was classified as C3 at the time of his discharge.

"For these reasons, I find that the death of Captain Harriss was due to aggravation on service of a pre-existing disease of the heart. The appeal is allowed."

Notice of appeal from the Board of Pension Commissioners was given in this case, and subsequently the appeal was withdrawn.

By Mr. Caldwell:

Q. By the B.P.C.?—A. By the B.P.C.

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By the Chairman:

Q. They did not execute judgment?—A. They did not execute judgment.

By Mr. Caldwell:

Q. You did not pass on it?—A. A quorum of the Board did not pass on it.

By Mr. Clark:

Q. On what date was that decision given?—A. Sixth February, 1924.

Q. On what date was the appeal withdrawn?—A. May 14th. I will read the letter withdrawing it.

Q. Did they give any reasons for refusing to execute judgment?—A. Yes. (Reads).

“Further consideration has been given to the judgment of a single member of the Federal Appeal Board in the case of the marginally noted.

“Pension to the dependents of this soldier has been refused by the B.P.C. on the grounds that the ruptured aneurism of the aorta resulting in death was not caused by injury or disease contracted on active service nor by the aggravation on service of a pre-existing injury or disease.

“The powers of the Federal Appeal Board are set forth in Section 11 (1), Chapter 62, 13-14 George V, and in death cases are confined to reversing the decision of the Board of Pension Commissioners when such decision has been given on either of the following grounds,—

“(a) Injury or disease resulting in death not incurred during military service;

“(b) Aggravation resulting in death not incurred during military service.

“The law may be more explicitly stated as follows:—

“(a) An appeal lies where the Board of Pension Commissioners admits that the aggravation resulted in death but refused pension to the dependents on the ground that such aggravation was not ‘incurred during service.’ The Statute provides that the Federal Appeal Board may in such instance find that the aggravation ‘was incurred during service.’

“(b) If the Board of Pension Commissioners finds that the aggravation did not result in death then the Federal Appeal Board has no jurisdiction to hear the appeal because it is immaterial whether such aggravation was incurred during service or not, the Board of Pension Commissioners having already decided that it was not the aggravation which resulted in death.

“The Federal Appeal Board has no powers conferred on it by the Statute to assess the extent of a disability incurred on service or the extent of an aggravation on service of an injury or disease pre-existing enlistment.

“In the opinion of the Board of Pension Commissioners the judgment of the Federal Appeal Board is ‘ultra vires,’ pension not having been refused on grounds which entitle an appeal to that Board.

“The Board of Pension Commissioners has no authority under the Statute to give effect to this judgment, and I am accordingly instructed to withdraw the Board’s notice of appeal dated March 6th, 1924.”

Mr. CLARK: This is exactly the same case.

Mr. CALDWELL: No. Read the first decision of the Board of Pension Commissioners. They decided that this was not incurred on service, as I understand. [Mr. C. B. Reilly.]

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stand it; in the other case, they admitted aggravation, but it was not aggravation which caused death.

WITNESS: They find that the aneurism of the aorta resulting in death was not caused by injury or disease contracted on active service, nor by the aggravation on service of a pre-existing injury or disease.

By Mr. Caldwell:

Q. That is not exactly the same?—A. In the one case they admitted aggravation on service—

Q. Not sufficient to cause death?—A. Yes.

Q. And they say in this case—A. Death was not due to aggravation on service of a pre-existing injury or disease.

By Mr. Clark:

Q. Am I right in saying that the point of law involved is precisely the same as the point of law involved in the previous case?—A. With this single difference. In the Walker case it was admitted that there was aggravation.

Q. The facts are different, but is the legal point involved not precisely the same as the legal point involved in the previous case?—A. It involves the interpretation of that Section.

By the Chairman:

Q. Have the four other cases the same bearing as the two last, or do they refer to other questions?—A. They refer to other questions.

By Mr. Robinson:

Q. Does that settle the case so far as the appellant is concerned? They have no further appeal and no redress or anything. Is that the idea?—A. The situation is that the appellant has in her possession a judgment declaring that death was attributable to service, to aggravation on service of a pre-existing disease. This judgment has not been carried out.

Q. That was your judgment?—A. I hope it will be carried out, but so far it has not been.

By Mr. Speakman:

Q. But in this case the appeal to the quorum has been withdrawn?—A. Withdrawn.

The CHAIRMAN: The B.P.C. say "We have no authority to pay; we are not authorized under the law to pay."

Mr. CALDWELL: They entered an appeal against the judgment of one member of the Board, and later they withdrew the appeal.

The CHAIRMAN: In my opinion that has nothing to do with the case. They do not say they refuse to execute this judgment; they do not say "you are right or wrong;" they say "we have no right or authority to pay; we can only pay persons who are allowed to receive pension under the Act; we have followed the Act, and in this case we have no authority outside the Act; it is beyond our powers to pay; we are not obstinate," although the Act, especially the Appeal Board says that the findings of the Appeal Board shall be final and that the Board of Pension Commissioners shall award pensions in the case where the Appeal Board decides it shall be awarded. Their letter is not the law.

By Mr. Humphrey:

Q. I think it is stated pretty clearly in the Act that the decision of the Appeal Board shall be final, shall be binding upon the Appeal Board and the Board of Pension Commissioners.

The CHAIRMAN: In matters pertaining to jurisdiction always.

WITNESS: The next case is also an aggravation case.

Mr. CLARK: I think we have got this aggravation subject thoroughly in point. It is a point where we are going to consider whether we are going to make the Federal Appeal Board absolutely final in matters of jurisdiction, interpretation of the law and so on, and put a clause in the Act to make it necessary for the Board of Pension Commissioners to pay.

By the Chairman:

Q. Have you any other cases different from the Walker case or the Harris case, different types?—A. Yes.

Q. Take a different type.—A. I merely mention this case of Purser of Regina as another aggravation case and pass onto another.

Q. The Purser case was one similar to Harris and Walker?—A. Yes. The next case is a case from Saskatchewan and it involves misconduct. I think it would be better not to put in the name.

Q. Call it "X" from Saskatchewan?—A. "X" from Saskatchewan. The decision of the Board of Pension Commissioners in this case is as follows:

"This man's claim for pension was rejected by the B.P.C. on the ground that the cardiac condition resulting in disability made its appearance post-discharge and was due to venereal disease contracted on service."

The appeal in this case was entered against the decision of the Board of Pension Commissioners. I heard the appeal in Regina on the 10th of December, 1923, and my finding was as follows:

"I find that the appellant's disability is not due to venereal disease and that the valvular disease of the heart from which he is now suffering was aggravated by and during his long period of military service."

The B.P.C. did not accept the decision which amounted to a change in the diagnosis as to the origin of the heart condition and pointed out that it was admitted that venereal disease, the cause which was ascribed for the disability, was incurred on service, pension being refused under the Board's discretionary power as set out in Section 12 of the Act.

By Mr. Clark:

Q. It also raises the point that I raised at the beginning as to the difference of the diagnosis on the same evidence?—A. Yes, and that venereal disease, the cause which was ascribed for the disability was incurred on service, pension being refused under the Board's discretionary power as set out in section 12. I think it is perfectly clear under the Act, that the Board of Pension Commissioners' discretionary power under Section 12 was not allowed to grant a pension for disability resulting from venereal disease, but it may, in certain cases, grant a pension to the dependent, to the soldier, if he is in dependent circumstances. Now, in this case it was necessary for me to determine whether or not the heart condition of the soldier was attributable to venereal disease. There is a medical opinion on the file. The language used by the pension doctor was that no other factor, no other item in the man's medical history would explain the presence of heart disease except venereal disease. I saw the appellant and the story was that he had contracted the disease in 1915. He went to hospital, had treatment for two or three weeks, was discharged cured, returned to the front line, served until the end of the war. Shortly after his discharge he developed an acute condition of heart disease. Of course, not being a doctor myself, we have medical officers attached to the Board who can explain medical

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terms to me and tell me about diseases of that nature, and the opinion that I got there was that the type of heart disease this man had might result from a childhood infection, such as measles, diphtheria and scarlet fever, that there are many diseases from which a heart condition arises, of which it is very difficult to explain the origin. On the other hand the case of venereal disease, if it was well cured, as it was during the war, when the man goes directly to the hospital when he incurs the disease, it is very improbable that the condition of heart failure or heart weakness would result from it. I chose between the two sets of opinions and found that the man's heart condition did not result from venereal disease but could be ascribed to some other infection.

By Mr. Caldwell:

Q. Did this venereal disease recur or did he remain perfectly cured?—A. Perfectly cured. He never had a recurrence.

By the Chairman:

Q. That is a case where you gave the man the benefit of the doubt?—A. That was a case where I gave the benefit of the doubt.

Q. It might have been caused by venereal disease or by something else?—A. Yes.

Q. It was impossible to decide with certainty whether it was caused by venereal disease or something else?—A. The opinion of the doctor was that his heart might have been affected in childhood by some disease and he would not know.

By Mr. Clark:

Q. There would be nothing to indicate the presence of the disease, but later on under the stress of campaign work it might develop. Was there any indication of a bad heart prior to the contraction of venereal disease?—A. It was only after service that the heart condition manifested itself.

By Mr. Caldwell:

Q. How long did the records show it was when he contracted this disease until he was apparently cured of it?—A. Two or three weeks.

Q. He had no recurrence?—A. He had no recurrence.

Q. That would indicate it was not very serious, that would be the natural inference that it was a pretty light infection, if it was quickly cured and never recurred again?—A. The man contended very vigorously that it was a closed incident, that he had forgotten all about it when his heart condition came up and when he applied for pension he expected to get it.

Q. I think that is an important point. I think any of us who know anything of this—I have no personal knowledge of the matter, but as a member of this Committee we have had a great deal to do with cases like this; a man who was apparently cured within three weeks from infection and never had any recurrence it is a pretty slight incident. The infection would not be very serious, it would not affect his whole physical condition very seriously. That was your opinion.—A. That was the opinion I got from the doctor on the case.

By Mr. Clark:

Q. What was the condition of the heart on discharge?—A. The examination on discharge did not indicate any heart infection.

Q. When was the heart infection?—A. It developed in nine months. He got so bad he was confined to bed for several months and the information I had on this case was that the heart condition could not develop so rapidly unless there had been a pre-existing condition, so the real difficulty I had in that case

was to fix the issue, was the man's condition due to his service or attributable to venereal disease. If it was attributable to venereal disease, then he is out of court. If it was attributable to war service, he should be pensioned on that. I judged the section I read this morning was wide enough to admit of that.

By Mr. Caldwell:

Q. Was there any evidence of what his occupation was when the heart condition developed?—A. Stationary engineer, operating boilers in the hospital.

Q. Not a very heavy occupation?—A. No.

By the Chairman:

Q. What were the reasons for the B.P.C. refusing to grant him pension?—A. I might add that the specialist's report in this case was taken on March 25, 1919 and shows no evidence of venereal disease, of gonorrhea or syphilis. The Board of Pension Commissioners did not accept the decision on the ground that it amounted to a change in the diagnosis as to the origin of the heart condition and pointed out that it was admitted that the venereal disease, the cause which was ascribed to the disability, was incurred on service, pension being refused, under the Board's discretionary power as set out in Section 12.

By the Chairman:

Q. Is that all that they write on that. I should like to have on record everything that they said, in order to explain their views?—A. The B.P.C. declined to enter a further appeal, contending it could not award pension in this case irrespective of any judgment of the Federal Appeal Board. Then in this case there was a reference to the Department of Justice, the point which General Clark brought up yesterday. The D.S.C.R. also questioned the legal right.

By Mr. Clark:

Q. What was the result of that reference?—A. I am just going to read that.

Q. I beg your pardon.—A. Perhaps I should read that. The opinion from the Department of Justice is that, "the statute does not authorize the Board to hear appeals where pension is refused on the grounds that the disability is due to misconduct."

Q. This opinion has not been acted on by the Board as it is felt that without doubt there is a question of attributability involved in such cases and that all questions of attributability properly come within scope of appeals.—A. No, this is just merely a statement of opinion. The opinion from the Department of Justice is to the effect that the Department of Justice does not authorize the Federal Appeal Board to hear appeals in cases where pension is refused on the grounds that the disability is due to misconduct.

Q. Have you got that letter?—A. I can send it.

Q. It will be embodied in your evidence?—A. Yes. Shall I proceed to the next case?

The CHAIRMAN: Yes.

WITNESS: The next case was that of Tom Kane, of Vancouver, B.C. The decision of the Board of Pension Commissioners in the case of the marginally noted man is:

"Osteo arthritis of the metatarso phalangeal and inter-phalangeal joints of the right great toes was aggravated on service, France (pre-enlistment condition).

No disability in respect to knee condition. My judgment is as follows:

[Mr. C. B. Reilly.]

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The appeal of the above named appellant from the decision of the Board of Pension Commissioners for Canada, was argued before me at Vancouver, B.C., on the fifteenth day of January, in the year A.D., one thousand nine hundred and twenty-four, the appellant in person and being represented by Mr. Ian MacKenzie, Official Soldiers' Adviser.

The appellant was pensioned for a toe condition which was aggravated on active service; the pension was given only for the aggravation which occurred during service. It was estimated that this would be amply compensated by the sum of \$100 and payment of said sum was made to Kane in June, 1922.

"I am of the opinion that this case comes within the provisions of Paragraph B of Clause 11 as amended by 13-14 Geo. V. The disability from which the appellant is suffering does not come within the exceptions mentioned in that paragraph. In my opinion, he should be pensioned to the full extent of the disability caused by the present condition of the right great toe. The appeal is allowed."

C. B. REILLY."

By Mr. Clark:

Q. Which section is that?—A. Section 3, which amends section 11. Then section 11, subsection B reads as follows:

"No deduction shall be made from the degree of actual disability of any member of the forces who has served in the theatre of actual war on account of any disability or disabling condition which existed in him at the time at which he became a member of the forces, provided that no pension shall be paid for the disability or disabling condition which, at such time, was wilfully concealed, obvious, was not of a nature to cause rejection from service or was of a congenital degree."

I found in the Kane file the man had been accepted as A1 on enlistment, although it came out later on that his heel had been injured before the war. When I wrote my judgment on that it seemed to be one case—judgment had been given a long time before the passing of the amendment which I have just read. I assumed the amendment had a retroactive effect and Kane's case was one of those which should have been reviewed by the Board of Pension Commissioners and the pension given in conformity with the law. That had not been done by the time the case got up to me, so I stated my opinion in the judgment, that this section of the Act covered it. The disability which he had when he came off service should have been regarded as having been incurred on service unless it was obvious in its nature, was of a nature to cause rejection from service or was a congenital defect or was wilfully concealed. The injury did not come within any of these.

By Mr. Clark:

Q. Have you got the letter of the Board of Pension Commissioners showing the reasons for which they did not carry out your award?—A. The letter is dated February 12th and reads:

"With reference to your communication of 30-1-24 and judgment attached by your Commissioner. This judgment has been read to the Board of Pension Commissioners and I am instructed to reply as follows:

2. It would seem that this judgment in respect of the marginally noted man rendered by your Board upholds the decision of the Board of Pension Commissioners, namely, that osteoarthritis was a pre-enlistment condition and was aggravated on Active Service.

3. The Board of Pension Commissioners are of the further opinion that the decision of your Commissioner (that this case comes within

[Mr. C. B. Reilly.]

the provisions of Paragraph Two, Clause Eleven as amended 13-14, George V) is a decision which is not within the jurisdiction of your Board.

R. J. KEE."

Q. You are referring now to 11-2, not 11 B?—A. Paragraph 2. I am quoting from the language of the—

Q. I wanted to know which one it is, or both. Here they are absolutely different. I want to know which one they are referring to?—A. My judgment said paragraph B of Clause 11.

Q. That is the paragraph they are referring to?—A. Yes. The variance there is not a very important one. Perhaps I should have described the nature of the disability and stated whether or not it was attributable to service instead of quoting the language of the law and saying that the case comes within that section.

Q. You think you can remedy that yourself?—A. I sometimes have legal lapses of that kind.

Q. You think you can remedy this particular case?—A. The effect of the decision is quite clear.

Q. Have you said what it was attributable to? Have you covered the point that you have just referred to now, in your judgment?—A. No, there was no question as to what caused the condition. The appellant was pensioned for the toe condition, which was aggravated on active service. He was pensioned only for the aggravation. The case comes before me in this way, as a refusal of pension—our jurisdiction applies to any refusal of pension. There has been refusal of part of the pension claimed by Kane in respect to the condition of his great toe. That refusal is justified by the fact that it is granted only for the aggravation. The law provides that at the close of his service the man shall be pensioned for the whole of the disability when he comes off service.

By Mr. Caldwell:

Q. What do the Pension Board claim? Just in plain layman's English it is that you considered this a matter of assessment. You do not consider that you considered it as a matter of assessment?—A. No.

Q. But they took that view?—A. They merely say I have no right to state that the case comes within the provisions of Paragraph 2, clause 11 as amended by 13-14 Geo. V, as that decision is not within the jurisdiction of the Board.

Q. That would indicate to me they are simply denying the right of the Appeal Board to quote a section of the Act in justification for their finding?—A. That is the way I understand their objection, that it is an objection to the language I use in the judgment.

Q. They claim you have no right to quote a section of the Act to justify your finding?—A. Yes. No right to direct the attention of the Board of Pension Commissioners to a section which in my opinion applies to the case.

Q. But the Board of Pension Commissioners claims the right to direct the Appeal Board's attention to the sections of the Act. In other cases you have quoted that would deny your jurisdiction?—A. You have heard the story.

Q. That is what I gather from the different cases.

Mr. PATON: Might I ask that the Board's letter of March 14th be read to the Committee?

Mr. CLARK: Might I suggest that that letter be appended to the evidence and at the next meeting we will have this evidence and if we want to ask Mr. Reilly any questions we can do so.

[Mr. C. B. Reilly.]

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The CHAIRMAN: Any reasons that the Board are giving are very important to consider.

By Mr. Caldwell:

Q. Have you got that letter?—A. Yes, it is right here.

Mr. CALDWELL: They will not have the minutes of this meeting printed before we have the next meeting.

The CHAIRMAN: I believe so, because the meeting will be on Monday, I hope, not later.

Mr. CALDWELL: Will we have that printed by then?

The CHAIRMAN: I think so.

Mr. CALDWELL: Our experience has been that it takes some time to have these printed and have them brought back. If there is a chance we want to have this printed before next meeting. It may be read now and we will have it in our minutes.

WITNESS: It is a letter from the Secretary of the Board of Pension Commissioners dated March 14th, to the Secretary of the Federal Appeal Board, and reads as follows:

“OTTAWA, March 14, 1924.

The Secretary,
Federal Appeal Board,
Elgin Building,
Ottawa, Canada.

No. 645579, Pte. Tom Kane.

DEAR SIR,—I have yours of the 11th instant regarding the case of the marginally noted.

By Section 11 (1), Chapter 62, 13-14 George V, the powers of the Federal Appeal Board in disability cases are confined to those in which the Board of Pension Commissioners has refused pension on the grounds that the injury or disease causing the disability was,—

(a) not attributable to nor incurred during military service; or

(b) pre-existing enlistment and was not aggravated during service.

The decision of a member of the Federal Appeal Board confirms the finding of the B.P.C.,—namely, that the condition of difficulty in walking due to arthritis of the right great toe was aggravated on active service.

Whether other provisions of the Pension Act operate in favour of or against the appellant, this increasing or restricting the amount of pension which shall be paid to him, is for the B.P.C. alone to decide and from its decisions there is no appeal.

The Board has no intention of appealing this judgment to a quorum of the Federal Appeal Board. It is, in the opinion of the B.P.C. ‘ultra vires’ and the Board will not give effect to it.

Yours truly,

J. PATON,
Secretary.”

Mr. CLARK: Surely there is no suggestion in that letter of their objecting to your quoting any or all sections of the Act?

WITNESS: In the one I had before.

Mr. CLARK: If there was any such proposition advanced by the Board of Pension Commissioners, I think we ought to have the letter right on file
[Mr. C. B. Reilly.]

so we can see it. I cannot credit such a thing that the Board of Pension Commissioners would object to you quoting any particular section of the Act. The section which you quote may lead the Board of Pension Commissioners to say that you have no jurisdiction to act under that section, which might be quite proper, but simply to make the bald statement that the Board of Pension Commissioners object to you quoting provisions of the section or refusing to give effect to your judgment, well, it is very difficult to credit, and I think we ought to have the letter on file where they raise that point.

WITNESS: If I have seemed to attach that interpretation to their letter of February 12th, it was an error and I would ascribe no motives whatever for the language that was used in the letter of the Board of Pension Commissioners.

Witness retired.

Committee adjourned.

COMMITTEE ROOM No. 436,

HOUSE OF COMMONS,

MONDAY, June 23, 1924.

The Special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers, met at 11 o'clock, a.m., Mr. Denis, the Chairman, presiding.

The CHAIRMAN: We will proceed with Mr. Reilly's evidence.

C. B. REILLY recalled.

Mr. PATON: Mr. Chairman, may I ask permission to have certain documents relative to the cases upon which Mr. Reilly has given evidence, embodied in the record? In the Percy Rollins cases, there was a dissenting judgment of a member of the Federal Appeal Board which I do not think was mentioned or put in.

The CHAIRMAN: You want these documents to be placed on file to complete what Mr. Reilly has said?

Mr. PATON: Yes sir.

The CHAIRMAN: To make the report of the proceedings more complete, is that it?

Mr. PATON: That is it. There was a memorandum which the Board of Pension Commissioners submitted to the Minister, and in the case of Henry Swettenham, there was a dissenting judgment of a member of the Federal Appeal Board, together with some correspondence with the Board of Pension Commissioners. One member dissented from the judgment of the quorum and wrote a judgment of his own.

Mr. HUMPHREY: Would I be correct in making the suggestion that if we are to have documents of the Board of Pension Commissioners embodied in the evidence, it would only be fair to have the men's statements or evidence embodied in the proceedings.

The CHAIRMAN: This is my viewpoint: Mr. Reilly quotes cases, and in my opinion everything that relates to those cases, so far as the proceedings are concerned, should be embodied in the record so that when studying the cases we may be able to have the evidence complete, and have the finding of the Appeal Board together with the finding of the Board of Pension Commissioners. Now, I fail to see why the men should have anything to say about it here. We are simply examining these judgments to see where the fault is, if there be any fault, and this is not the place where the returned men should come and say "The Board has not given justice and therefore I claim justice." I do not think that that is our work, because there are courts instituted for that purpose. There is the Board of Pension Commissioners and there is the Federal Appeal Board and if we were to allow one man to come before the Committee and claim that he had not been given justice by either of the Boards and asked us to judge so as to give him justice, we would have a hundred coming and we would be sitting here for twelve months of the year.

Mr. HUMPHREY: The only point I was making was that the statement submitted by the Soldiers' Advisers should be embodied in the record.

The CHAIRMAN: If there is a statement in writing, that would be all right.

Mr. HUMPHREY: I meant the statement of the Soldiers' Advisers in connection with each particular case.

The CHAIRMAN: Certainly and then we would have the three statements.

Mr. PATON: There was correspondence between the Federal Appeal Board and the Board of Pension Commissioners—

The CHAIRMAN: These papers may be introduced in this way or by way of evidence; that is, the Secretary of the Board of Pension Commissioners might give evidence and introduce these papers relating to those cases one after the other.

Mr. CALDWELL: I think that would be the better way.

The CHAIRMAN: It would be preferable, I think, to wait until Mr. Reilly is through and then Mr. Paton could be called and say "In relation to this case or that case I want to introduce this paper or that paper." You will be called later, Mr. Paton.

Mr. CALDWELL: How many members of the Appeal Board does it take to make a quorum?

WITNESS: Three.

By Mr. Caldwell:

Q. How do you render your decisions, by a majority of those present?—

A. The Order in Council provides that the judgment of a quorum shall be signed by the Chairman or presiding officer and the Secretary. There is no provision made for dissent.

Q. That is my point; you must decide by a majority in rendering your decision?—A. Yes.

Q. In the case of the Board of Pension Commissioners, is it necessary that their judgment shall be unanimous in giving permission?

Mr. PATON: No sir.

WITNESS: On Friday last I had reached the last of the seven cases that I was telling the Committee about. It is the case of Percy Andrews of Vancouver, B.C. The story is told very well in my judgment, given on the 5th of April, 1924. (Reads).

"This is an appeal against a decision of the Board of Pension Commissioners for Canada refusing pension in respect of a disability described by the appellant as 'bad spine and hip.' The case was argued before me in Vancouver, B.C., on the twentieth day of March, in the year A.D. one thousand nine hundred and twenty-four. The appellant appeared in person and was represented by Mr. Ian Mackenzie, Official Soldiers' Adviser.

"The appellant's right leg was fractured when he was 16 years old, long before his enlistment. This left him with an obvious disability. The disability was aggravated from the Army in 1916. He was pensioned for a time for the aggravation accruing during service, but it is now estimated by the Board of Pension Commissioners that the aggravation has disappeared or has become so slight that it is negligible.

"The appellant walked with a limp before his enlistment; despite that he was able to do work on a steamboat, and he was deemed fit for service in France. I doubt if it can be claimed that an aggravation of disability has disappeared before the appellant is restored to a condition of physical fitness at least equal to that which he enjoyed on enlistment. It is evident that the appellant is unable to carry on his pre-war occupation and his medical examination of 1922 shows that he has a disability of 10 per cent.

[Mr. C. B. Reilly.]

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"I believe that part of the disability is attributable to a permanent aggravation of his hip condition which occurred during his service. I therefore find that the appellant is suffering from a hip condition which was aggravated during service and of which the aggravation has not disappeared, and I allow the appeal."

The Board of Pension Commissioners declined to carry out the decision but did not enter an appeal to a quorum of the Board. Their letter is as follows:—

"The decision of the B.P.C. was that the condition of this man's leg was aggravated during his military service. He was accordingly awarded pension on this account. After medical re-examination in June, 1918, the Board's Medical Advisers were of opinion that his condition had improved to such an extent as to have absorbed any aggravation during service. Pension was, therefore, discontinued.

"The extent of the aggravation in this case is merely an estimate of the pensionable disability and as such does not come within the jurisdiction of the Federal Appeal Board. In the opinion of the B.P.C. the judgment is 'ultra vires' and does not affect the previous decision of the B.P.C."

This was an early case. Andrews came back from the war in 1917 before the amendment was made to the Act which reads as follows:—

"(b) No deduction shall be made from the degree of actual disability of any member of the forces who has served in a theatre of actual war on account of any disability or disabling condition which existed in him at the time at which he became a member of the forces; provided that no pension shall be paid for a disability or disabling condition which at such time was wilfully concealed, was obvious, was not of a nature to cause rejection from service, or was a congenital defect."

It would not appear from the file that the B.P.C. has ever considered that the disability was obvious or otherwise within the exceptions mentioned in the above quoted section.

The practice of the B.P.C. is definitely stated as being to the effect that it can never be said that aggravation has ceased until the disability has become nil or negligible.

Pension was discontinued in this case on re-examination in 1918 on the grounds that service aggravation had ceased. It has never been contended that the man's disability has passed away.

So far as can be judged from the file, the man is not now in receipt of pension because his case was properly dealt with under the procedure in 1918. In other words, if the case had been dealt with a year or two later, Andrews would now be receiving pension for the full extent of his disability. It is possible that the B.P.C. does regard the pre-enlistment disability as having been obvious on enlistment. No reference whatever of any such consideration appears on file.

Now, in this case, the man was of course present at the hearing. It is established that he is unable to resume his pre-war occupation as a deck-hand working on a boat. It struck me as being a case where the amendment which I have quoted should apply. The Board of Appeal has no jurisdiction to assess the extent of the man's disability; that is purely the function of the Board of Pension Commissioners. There is on the file a finding of the Board of Medical Examiners in 1922, stating that the man has a 10 per cent disability. He did

[Mr. C. B. Reilly.]

not have a 10 per cent disability when he enlisted although he did have a crooked leg. He claims that he was 100 per cent fit when he was enlisted, and he was accepted in that category.

By Mr. Caldwell:

Q. What class or category was he in when he was enlisted?—A. A-1. He formed part of a fighting battalion and served in Flanders. There is a story of injury in the trenches, but nothing that left any permanent disability.

Q. He was accepted as A-1 for service?—A. Yes. He was sent home because the leg disability could not stand the hard work of the trenches, and on account of an injury which he received as the result of a shell explosion in the trenches. So there again the question of jurisdiction comes up. Then I would point out that there are only seven of these cases out of a very large number that have been considered by the Board of Appeal, so that on the whole I think the Act has worked fairly well, and I wanted to give you these cases so that you can decide whether a further amendment is required, if the Committee deems we should deal with the classifications I have quoted to you.

By the Chairman:

Q. Have you any general consideration to offer or recommendations to make?—A. Yes, with reference to the suggestion made by the Secretary of the Board of Pension Commissioners, it had occurred to me as there is so much evidence on the files and very interesting reports from medical men who have examined the appellants and reports of some cases of the former Board of Appeal, my suggestion would be that the whole file in each of the seven cases be not read into the record but left with the Committee for examination. I think that would cover the question raised.

By Mr. Belton:

Q. Might I point out it would hardly cover the case. The Board would like the exact case to be incorporated in the record.—A. I would like to call the attention of the Committee to Section 15 of the Interpretation of the Act, found in the Revised Statutes of Canada. That section is as follows:

“Every Act and every provision and enactment thereof, shall be deemed remedial, whether its immediate purport is to direct the doing of any thing which Parliament deems to be for the public good, or to prevent or punish the doing of any thing which it deems contrary to the public good; and shall accordingly receive such fair, large and liberal construction and interpretation as will best ensure the attainment of the object of the Act and of such provision or enactment according to its true intent, meaning and spirit. R.S., c. 1, s. 7.”

I submit that the interpretation which the Federal Appeal Board has followed in delivering its judgment in the cases I have cited to you is the one best calculated to ensure the attainment of the object of the Act, according to its true intent, meaning and spirit.

By the Chairman:

Q. Have you any recommendation as to the amendments that should be made to the law regarding that Board, Chapter 62 of the Statute for last year?—A. No, I have nothing to add to the recommendation which appears in the Ralston report.

Q. Any further questions?

[Mr. C. B. Reilly.]

APPENDIX No. 6

By Mr. Shaw:

Q. I would like to ask Mr. Reilly one or two questions. Mr. Reilly, I understand in your appeal decisions you only take the file and you receive the record which has been before the Board of Pension Commissioners?—A. Yes.

Q. Now, is there any reason why the soldier should not have the opportunity of presenting new evidence that may have arisen subsequently and of which he may not have been acquainted at the time of his first application to the Board of Pension Commissioners?—A. We were of the opinion at the time of conforming to the ordinary practice of appeal courts, merely reviewing the decision of the body from which the appeal is taken, using the same records in each case which they had before them. There is no injustice to the man because if he desires to introduce new evidence the hearing is suspended and the whole file is sent back to the Board of Pension Commissioners with a recommendation that new evidence be submitted to them, a ruling obtained and let the matter be brought before the Appeal Board.

Q. You know in appeal cases there is the right to introduce new evidence?—A. Of recent years.

Q. Why should not that same privilege be extended and consequently save a lot of time and perhaps a lot of additional expense and effort if the Appeal Board itself had the opportunity to consider the whole matter. Do you not think that would be advisable?—A. You are suggesting that the law might be amended in that way?

Q. Yes.—A. It certainly could be worked in that way.

Q. Another thing: I was thinking over the difficulty that has arisen between the Board of Pension Commissioners and the Appeal Board. Suppose we put in there a provision that the finding of the Federal Appeal Board should be binding not only as to law but as to fact on the Board of Pension Commissioners. Do you not think that that would meet the situation, or some similar legislation, to make the Appeal Board in reality a final court of appeal.—A. With respect to the difficulty that has arisen—I doubt whether we should call it a difficulty—it is a difference of opinion of a legal interpretation.

Q. I think you would agree with this, that if you are going to have an Appeal Board it must be a body which commands the respect of the returned soldiers. It cannot do that unless it has jurisdiction to give complete and final decision on any matter brought up, is that not true?—A. Yes, my opinion is that the Federal Appeal Board has jurisdiction, is the only body that has jurisdiction to interpret the Act, as it relates to the Appeal Board and as it relates to the work which comes before them. I think jurisdiction is vested in them by the words of the Act, but it might be advantageous to make it more clear than it does appear in the context of the Act.

Q. Supposing, we will say, in Ontario, that the Supreme Court of Ontario or a judge of the Supreme Court of Ontario, even if he had before him a judgment of the Appeal Court of Ontario, were to say: "Well, I am not going to be bound by that, that Appeal Court acted without its jurisdiction," would the result not be that the Appeal Court would come into more or less public disfavour and perhaps the Supreme Court also?—A. It would be very embarrassing for litigants to be provided with a judgment which could not be carried out.

Q. Is not that substantially the situation here in a small way, of course?—A. I think the main purpose of courts and of the Federal Appeal Board as well is to put an end to litigation and settle difficulties. If the judgment is not final, of course, the difficulty is not settled.

[Mr. C. B. Reilly.]

By Mr. Ross:

Q. In the cases which have come before you, are they not principally a matter of medical opinion?—A. In a great many of them there is conflicting medical opinion.

Q. What percentage would you give? Ninety per cent?—A. Of the seven I would say 90 per cent, yes.

Q. Then it is purely a case of arriving at what is the proper medical opinion?—A. Yes.

Q. And the Appeal Board now, in addition to the nine medical men on the Board of Pension Commissioners, have their own medical advisers?—A. There are two medical consultants.

Q. What is their function?—A. Largely to guide the members of the Board, who are not medical men, to explain to them the medical terms that occur in the files and to assist them in appreciating the value of the medical evidence appearing on the files.

Q. Compared with the medical men on the Board of Pension Commissioners, are they men senior in experience or not?—A. I doubt whether that is in my competence to pass on. I would not like to make any comparison.

Q. Then when it comes to difference of medical opinion you get no further ahead. Your 90 per cent of the cases fall down?—A. We are very much in the position of a judge in workmen's compensation cases. They usually turn on questions of evidence. There are three medical men on one side of the case and three on the other side with absolutely divergent views, but the judge has to appreciate their evidence and arrive at the best conclusion he can under all the circumstances.

Q. What possibility would there be of taking a medical man of very high standard of reputation and having his opinion of the case considered?—A. We have the privilege of consulting any medical men we wish to on any important question which arises.

Q. When it came down to a matter of difference between medical men on your Board and the very experienced men outside, the inexperienced advice is generally taken?—A. You would call the advice outside inexperienced?

Q. I would call outside advice very experienced in most cases I have been in?—A. You take it in tuberculosis, we consult with men who are recognized as leaders in that line of medicine.

Q. Do you find that the opinion of these outside experienced men amounts to very much in the way of dealing with the cases?—A. I found their advice very valuable.

Q. My experience has been that the men outside are experienced.—A. You probably know more about medicine than I do.

Q. I think I know something.—A. This is a very peculiar set of questions to ask, but we meet now the difficulty, the great difficulty, being a matter of medical opinion, and I find that when you get a man of very high standing, who is absolutely disinterested in the case, and he gives his opinion the opinion in 90 per cent of the cases is disregarded. In that case, Mr. Chairman, would it be possible to consider one or two cases, just to show the Committee in what position this stands. I have a couple of very important cases in which the outside medical opinion is very much higher than that inside.

The CHAIRMAN: What do you call "outside?"

Mr. CALDWELL: Would you tell us what you mean by the outside and inside.

Mr. ROSS: I mean that these nine advisers of the Pension Board are in many cases very inexperienced men.

[Mr. C. B. Reilly.]

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By Mr. Caldwell:

Q. That is what you call "inside?"—A. That is what I call "inside." Then the medical men, who have years of experience and who have a very high standing—now I have cases where their opinion has been given, and I would just like to discuss this with the medical men before the Committee just to show how the opinion is given against the ex-service men. Would it be possible to bring any of the advisers here?

The CHAIRMAN: I am just thinking how this could be done. I am very anxious indeed to comply with your request, but I am sure some practical way could be evolved by which this could be done. Have you any procedure to suggest? What would you suggest in the way of accomplishing what you are proposing now?

Mr. Ross: This is my position: In taking this matter by communication it just passes through, an opinion is given and we differ with that, and that is the end of it. If we go and consult the man it is a matter between a member of their medical staff who bring up the case and the adviser. Now, if a couple of cases were brought up before this Committee we could get the point of view these men have in opposition to the opinion of outside men, which we value very highly.

Mr. HUMPHREY: You refer to cases of difference of opinion between the returned men and the Board of Pension Commissioners?

Mr. Ross: No, difference of medical opinion, and they always tell us they give the men the benefit of the doubt. Now, if two medical men differ I would say the man ought to get the benefit of the doubt. They have had one or two cases before the Federal Appeal Board but it always comes back to the Pension Board saying, "This is our opinion."

The CHAIRMAN: If I understand rightly, General Ross, you would like to put before the Committee the evidence that in one or two cases it came out that the inside doctors made a mistake, and that was proven by the opinion of the outside doctors?

Mr. Ross: Yes.

The CHAIRMAN: In other words, that in comparing the conflict of opinion of the inside doctors it would come out clearly before the Committee and be proven clearly that the inside doctors were the ones who made the mistake, and therefore you arrive at the conclusion that the inside doctors by reason not of incompetency but not being as competent as they should be, do not always give the returned men all the justice that they should get from them?

Mr. Ross: Exactly, and then any medical opinion is possible, as everybody knows, and not only possible but very probable, and for this reason I do not like to see the ex-service men being at a disadvantage. We have one or two cases where I think I met a medical officer of very high standing, who differs with that absolutely and points out conditions respecting disabilities from which the men are suffering.

Mr. CALDWELL: Is this not your point. I almost think the Chairman has a wrong view on that point. The point is this: A case comes before the Pension Commissioners; the medical men on the Pension Commissioners staff make one decision; the outside doctor, who may have a great deal of ability, decides another way and they disagree and they take an opposite view, but the Pension Board decides according to the opinion of their own medical men.

Mr. Ross: Yes.

Mr. CALDWELL: You might say that the outside or the inside man's opinion is wrong, but the Pension Board decides according to the view of their own staff, regardless of what the outside opinion might be.

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Mr. ROSS: Yes. When these come before the Federal Appeal Board we can get no further ahead and I find that their medical men do not like to differ with the other side.

Mr. CALDWELL: Your contention is that the pensioner does not get the benefit of any doubt that arises in the opinion of the Pension Commissioners?

Mr. ROSS: Not in all cases.

Mr. SHAW: Suppose the Appeal Board have the right to call further witnesses, that would get over the point you mention. Now, they only have the record.

Mr. ROSS: They take the fyle.

Mr. SHAW: Suppose they had the right to call further evidence and the soldier had the right to present further evidence, this medical evidence might be presented to the Appeal Board.

Mr. CALDWELL: In a great many cases outside opinions are not on the soldier's fyle.

Mr. ROSS: Yes.

Mr. CALDWELL: Therefore the Appeal Board are not in position to get this outside information. I do not know whether that is the fact or not, but I think it is.

Mr. SHAW: That is it.

Mr. ROSS: In deciding one case the Appeal Board say, "We have taken fluid from the spinal column. That fluid was clear, did not indicate meningitis." They fyle a record that 40 per cent of the examinations made on these specific fluids have not been clear.

The CHAIRMAN: While I am very sympathetic to your point of view, General, I should like somebody to point out to me how we could arrive at anything definite and practical in order to meet your views. Suppose we had an inquiry here and it was proven that in two cases the inside doctors evidently made a mistake, it would not get us anywhere, in my opinion, because the best doctors, the best experts might make mistakes in two cases and we would have to take into consideration the fact that they examined thousands of cases, and if it was found they made a mistake in two cases only I think they would be considered wonderful doctors because they made mistakes in only two cases. Assuming they made mistakes in more than two cases that does not take us anywhere, because any man is liable to make a mistake and I do not know where it would take us.

Mr. ROSS: I have the solution: My solution is this, that that pensioner should be given permission to go before the final medical authority of the Pension Board with his medical adviser and there discuss it, as an appeal court. I think that the Appeal Board gets us no place hardly, with these conflicting medical opinions, but if the ex-service men would go before a final medical adviser of the Pension Commissioners with his medical adviser, whose expenses would be paid by the Department, and there decide the case—

Mr. CALDWELL: Before the Pension Board or the Appeal Board?

Mr. ROSS: As far as I can see the Pension Board is final. That is where you want to get. I want to get that man with his medical adviser up before the final medical opinion of the Pension Board.

Mr. CALDWELL: Do I understand you to say you think the opinion of the Pension Board is final?

Mr. ROSS: I think it is pretty final, as far as I know.

Mr. CALDWELL: What about the Appeal Board?

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Mr. SHAW: General Ross, I would like to ask you in connection with that—I think it is a very important matter—it seems to me you can produce an argument in favour of the suggestion I made, that is that the Appeal Board should have the right to hear such evidence as may be adduced by the soldier himself. Now, our courts every day are deciding cases where there is a conflict of opinion between medical men. For example, there is probably a railway accident, in which some medical doctors give evidence in one particular way and other medical men say the opposite, that the railway company is not responsible and so on, and the courts are called upon to give a conclusion on these matters. Now, we have the Federal Appeal Board, which is a court. Why should not they do exactly the same thing and hear the conflicting medical evidence and then draw the best conclusions that they can, just as courts draw conclusions in similar cases of conflict. It seems to me that that is the solution to your question, to your problem, without involving the country in any more expense.

Mr. Ross: The Appeal Board has two doctors. For instance, this man would take his doctor before them and give that evidence, it is up to them to take that evidence, and they take it before their advisers, whereas I want the medical men amongst themselves to give an opinion. They do not see the man who has been consultant. Their consultant and the ex-service man's consultant should get together. They cannot do that. The Board goes and sits say, in Montreal. They may have one medical man on the Board with them. They hear the evidence. That medical man may come back and tell us they took all the evidence before their consultants. I do not think the ex-service man gets the benefit of his consultant, as he is not present to discuss it with the Board's consultant.

The CHAIRMAN: What would you think of a procedure like this: that in each case the man would have the privilege of having as many medical experts give evidence on his side as there are on the other side, if we can call it the other side, which I do not want to do, because the medical advisers of the Board should and must be by all means independent, fair, and without any opinion. They are not acting in the case for one party or the other. They are acting for both parties jointly. They are acting for the Board and for the men; as the members themselves are acting for the country and for the men. They should have no opinion as between the two, except the desire to render justice. Let us assume for the moment, for the sake of argument, that the men are not altogether satisfied with the doctors that are on that Board. In that case suppose the men should have the privilege of calling their own witnesses, their own doctors, as many as there would be doctors giving evidence on the Board. For instance, if the Board produces two doctors to give evidence about a particular case and the man is not satisfied with that evidence, then you can bring two other doctors whose evidence will be placed on record; then the record as constituted can be sent to the court of appeal. I hardly believe we can allow new evidence to come before the court of appeal because I am afraid it would be mixing matters too much. It would not get us anywhere because the courts of appeal must be a court of appeal and if you hear evidence before a court of appeal then you make it a court of first instance. Then when the court of appeal has rendered judgment the Board of Pension Commissioners will say, "That is all very well; you have rendered judgment, but on a different case;" moreover the idea of the court of appeal is that it revises judgments, not that it renders judgments in the first instance; and if we allow evidence to come before the Court of Appeal I am afraid we would be creating a very serious situation as far as procedure is concerned.

Mr. Ross: In my opinion, when the Board of Appeal was formed the idea was that you were going to have three or four of the highest class of doctors in

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this country on it. If the Board of Appeal will bring their consultants around on their travels, so that then the medical evidence produced can be submitted to them and discussed before them it would meet the view, but this thing, of two or three medical gentlemen getting evidence and bringing it to Ottawa and submitting it to doctors will never get you any place, because here is the opinion given, and that opinion might be medically contradicted. It can be medically contradicted just the same as you have legally discussed points brought up, but the ex-service man has not the advantage of meeting his consultant.

The CHAIRMAN: We will see to it that the man has the chance to have full justice, surely. That is our view. We will see to it.

Mr. Ross: It is a very important question.

The CHAIRMAN: Are there any more questions to put to Mr. Reilly.

Mr. MACNEIL: I would like to ask Mr. Reilly to cite the Liddell case as illustrating two important points.

WITNESS: It came before the Federal Appeal Board by way of appeal against the judgment of the Department of Soldiers' Civil Re-establishment. There was no appeal relating to the decision of the Board of Pension Commissioners. I am not quite sure. Of course I am prepared to answer any questions.

By the Chairman:

Q. Have you got that file with you now?—A. No, but I have a memorandum about it.

Mr. MACNEIL: I would like to know about the Liddell case.

Mr. SHAW: If Commissioner Reilly could tell us the story, so we could get it in our own minds.

The CHAIRMAN: We are not here to decide whether the judgment was right or wrong.

Mr. SHAW: It is just a question of seeing whether or not in that case there is any weakness or whether or not there is something which should not be done to eliminate it.

The CHAIRMAN: Is it your opinion that it would be necessary?

Mr. SHAW: I know something about it generally. I am not sure whether it is true or not.

WITNESS: I have a memorandum of it here. I find that the Liddell case came before me in Winnipeg on the 1st day of December last year by way of appeal against the Department of Soldiers' Civil Re-establishment refusing treatment with pay and allowances for a case of dementia praecox to Liddell. Liddell had served a year in France. During his service there was no record of mental incidents. He was discharged in June, 1919 and in 1920 he developed a mental condition and was in an asylum. Some time after that he was sent back to England and the appeal came before us taken by his mother, who at that time resided somewhere in Saskatchewan. The question was whether the mental condition was attributable to service. I heard the case. The medical evidence was conflicting. Doctor Morrow says that the condition was aggravated on and by service. There was some other medical opinion agreed with that and others against it. My decision was that the condition was attributable to service and that he should receive treatment with pay and allowances. An appeal was taken against my finding and my finding was confirmed by the Board and I believe that the Department of Soldiers' Civil Re-establishment did give pay and allowances for the period during which he had been in the asylum in Manitoba.

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By Mr. MacNeil:

Q. In the case of a re-appeal being taken, what procedure is followed?—A. I have not the file, but I do not think there was anything abnormal in that case. An appeal must be taken within thirty days.

Q. Has the Department or the Board to state the ground of re-appeal when such is taken?—A. Neither the appellant nor the Department is required to state the ground of appeal.

Q. Would it be unfair to suggest that the Department should state the grounds of re-appeal in view of the fact that they have access to all the information?—A. As a question of fact, the Department of Soldiers' Civil Re-establishment does state the ground of appeal.

Q. When was this practice instituted?—A. It seems to have been right along. In nearly every case where the Department enters an appeal again there is a long letter giving the decision and showing on what points they disagree with us.

Q. In that case referred to the appeal was entered after what legislation?—A. Largely on the medical aspect of the case, urging the strength of the medical opinion which contends that in cases of insanity of this type, which is dementia praecox it is not the continuous story of the pathological condition—I think the doctors call it that—but that each mental incident is an isolated condition more or less related to the one which occurred before it and that conditions in the army would not be of such a nature as to aggravate the condition.

Q. Is it not true that medical treatment is awarded under an Order in Council, that eligibility is defined in that Order in Council, and that pensions are awarded under the Act? Is it your judgment in this instance that eligibility for medical treatment rests on the Pensions' Act, or on Order in Council, P.C. 580?—A. It would rest on the Pensions' Act, working under the Pensions' Act, because the Order in Council governing our procedure makes the sections of the Pensions' Act apply to cases arising by way of appeal from the Soldiers' Civil Re-establishment.

Q. Is it not true in this case, that the appeal as regards medical treatment was sustained, that it became necessary to enter into the subject afresh as regards pension, and that the case was placed beyond jurisdiction by an interpretation of the Act rather than by the Pensions Board?—A. It is on that point that I am not prepared to speak without the documents because an appeal against the Pension Commissioners never came before us. My understanding of it was that it was of such a nature that probably no appeal would lie before the Federal Appeal Board.

Q. Does this case not illustrate that it is possible for the Pensions Board by the interpretation already discussed not only to review the evidence, but to automatically place it beyond the jurisdiction of the Federal Appeal Board entirely as to the right of an appeal arising in such case?—A. I would not suggest that the judgment was drafted for that purpose. Have you the judgment there?

Mr. SHAW: Mr. MacNeil does not suggest that; his suggestion is that it would have that effect.

Mr. PATON: I have a copy of the judgment here.

The CHAIRMAN: You are of the opinion, Mr. Shaw, that this discussion would enlighten the Committee on general principles as to an amendment of the law.

Mr. SHAW: I have not the facts sufficiently clear in my mind just now.

The CHAIRMAN: I do not wish to stop anybody from proceeding, but it does not appear to me that it would be useful to us, so far as legislation is concerned.

[Mr. C. B. Reilly.]

Mr. SHAW: I have not the facts in my mind sufficiently, and I do not want to take any responsibility in asking that it be not considered.

Mr. MACNEIL: It illustrates two points Mr. Chairman, upon which we desire to enter evidence. We consider them of very grave importance, and I thought it might possibly save time if I questioned Mr. Reilly upon them. The first point is quite apart from the seven cases which have been cited. When the Pension Board has reviewed the judgment of the Appeal Board there is excluded a very much larger class of cases from having the right of appeal; they cannot enter an appeal for pension because of the ruling given by the Pension Board on the very point that has been discussed in the seven cases. We are more concerned about the large category outside of appeal under the Pension Act. The second point upon which we wish to enter evidence is the duplication of procedure in the case of appeal. In the Liddell case the appeal was entered as regards medical treatment and sustained. Pension was involved as well as medical treatment, and we were advised that it was necessary to enter an appeal afresh as regards pension. When the appeal for pension was entered, we were informed that it was not within the jurisdiction of the Appeal Board. The difficulty is that there seemed to be two separate administrations, a duplication.

The CHAIRMAN: It would appear then that this case is a model case, if I may use that term. You may therefore proceed.

Mr. MACNEIL: It illustrates those two points.

WITNESS: The judgment of the Board of Pension Commissioners in this case is as follows:

"The marginally noted was in a mental institution in England, in 1906.

He was in a mental institution in England in 1907.

He was in a mental institution in Canada in 1913.

He was in a mental institution in Canada in 1915.

All the above mental episodes were prior to enlistment.

The man enlisted in the forces the day he was discharged from Brandon Asylum.

His condition was wilfully concealed.

He had no further mental episode on service.

He was discharged in June, 1919.

In May 1920—one year post discharge—he was admitted to Selkirk Mental Hospital.

His condition always has been dementia praecox.

Medical opinion is strongly to the effect that there was no aggravation on service. Specialists, namely, Drs. C. H. Clark and Farrar, are very strongly of the opinion that there is no relation whatsoever between the present mental condition and service. They state that there was no mental reduction on service.

Dr. Barnes considers that probably there was some aggravation on service.

Bearing in view Dr. Barnes' certificate that there probably was some aggravation on service, the Board, after giving the man the benefit of a very attenuated doubt, considers such aggravation on service was negligible, although the great weight of medical testimony was to the effect that there was no aggravation on service."

Now that judgment could not come before the Federal Appeal Board because it does not raise the question of attributability. If there is no aggravation on service, then the Federal Appeal Board has nothing further to say about the case.

[Mr. C. B. Reilly.]

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By Mr. Paton:

Q. Could a soldier not come before your Board on the ground of the condition contracted during service?

Mr. CALDWELL: Or aggravated during service?

WITNESS: Well, there is a finding, of course, that it preceded service. The condition began in 1907.

By Mr. Paton:

Q. That would not debar a soldier from appearing before your Board?
—A. On that question of fact?

By Mr. Shaw:

Q. That is, whether he was suffering from dementia praecox prior to enlistment?—A. Yes.

Q. There would not be much reason in appealing to the Federal Appeal Board on that score?—A. I assume that the advisers of the Liddell family—

Q. If I recollect rightly, this man after his discharge received treatment from the D.S.C.R. and pay and allowances. Is that correct?—A. I see that in May, 1920, he was admitted to the Selkirk Mental Hospital.

Mr. SHAW: Probably Mr. Paton could tell us.

WITNESS: My notes do not show whether he received pay and allowances.

Mr. SHAW: Did he receive treatment from the D.S.C.R., Mr. Paton?

Mr. PATON: I cannot answer that question; Mr. Scammell might be able to do so.

Mr. SCAMMELL: I am not quite clear as to pay and allowances, but I understand that he did receive treatment, and as Commissioner Reilly said just now, on the judgment of the Federal Appeal Board all pay and allowances have been paid by the Department.

By Mr. Shaw:

Q. What could be the ground on which he received pay and allowances and treatment from the D.S.C.R.?—A. On the ground that there had been aggravation of his condition during service.

Q. Would that be justification for a pension?—A. Well, I may say that the case has never come before us as a pension matter, and has never been studied from that angle.

Q. But here is a man whose aggravation on service is admitted for the purposes of treatment and pay and allowances; he comes now to the Pension Board, and the Pension Board say "We admit there has been a slight aggravation"—I think that was the wording?—A. They consider such aggravation on service was negligible.

Q. When he comes before the Pension Board they say the aggravation on service is negligible, and consequently they refuse him pension?—A. Yes.

Q. How could these two different judgments be justified on a question of aggravation in both cases. The D.S.C.R. discover that there was aggravation which entitled him to pay and allowances and treatment; then along comes the Pension Board who say "No, the aggravation has been negligible, and consequently you are not entitled to pension." Does it occur to you that there is any conflict there?—A. I think that under the law they can arrive at that decision.

By Mr. MacNeil:

Q. How can a man bring before the Appeal Board an appeal as regards pension?—A. I do not see how he can, unless you provide for an appeal on the ground of assessment.

Q. Was it not a curious situation that he should be considered eligible for medical treatment and not be able to get consideration for his eligibility to pension, when he passes from medical treatment to pension and back to medical treatment? Might it not be in the interest of public economy to have him on pension instead of pay and allowances for treatment? Could you suggest a remedy for such a curious complication?—A. No, I would not care to make any suggestion in that case.

By Mr. Shaw:

Q. It brings up the question which Mr. MacNeil referred to, that is, when a man has a finding made as to his eligibility for treatment, that seems to be absolutely ignored and of no weight or significance at all, so far as the Board of Pension Commissioners is concerned. In other words he has to retrace every step when he makes application for pension?—A. Yes, there are many cases in which treatment is given by the D.S.C.R., instances where the extent of aggravation is not clear, and even the entitlement of the man to treatment is not clear. If a man appears in a condition where he requires treatment, my observation is that he is given treatment.

By Mr. Ross:

Q. On compassionate grounds. Do they not use that term?—A. That occurs sometimes. There is, of course, a further point; it may be assumed that the disability clears up under treatment and that when he is released from treatment the disability has disappeared.

Mr. SHAW: It did not in the Liddell case.

By Mr. MacNeil:

Q. Would it not be of advantage to the Treasury and make ex-service men more contented if one decision as to eligibility governed both eligibility to treatment and pension. Is it not your observation that that would cut out a duplication of the staff and procedure?—A. I would like to give more study to the question. I have not considered that angle of the thing at all, and I am not prepared to give an opinion on it.

Q. Do I understand correctly that you do not consider the definitions of attributability given in the Order in Council, P.C. 580 in rendering judgment on the Appeal Board for medical treatment?—A. The only reference in our Order in Council governing the procedure of the Federal Appeal Board is that P.C. 580 relates that the out-of-pocket expenses of the appellant whose appeal is maintained whether by a member of the Board or by a quorum thereof shall be paid on the scale provided for in Clause 20.

Q. The only legislation which exists in regard to medical treatment and eligibility therefore is Order in Council P.C. 580. It contains definitions of disability and attributability slightly different from those in the Pensions Act. The grounds of eligibility are always the same except that there is a little more latitude shown in regard to medical treatment. There is a great difference as regards the insane. The definitions in the Order in Council regarding insanity show unfair discrimination, and these legal entanglements are constantly arising. I would like the Committee to consider them.

The CHAIRMAN: Your contention is that P.C. 580 contains different definitions from those to be found in the Act, is that it?

Mr. MACNEIL: Yes sir. I suggest that the legislation governing these matters be brought into consonance.

Mr. SHAW: These matters which Mr. Macneil refers to are very difficult and involved, and I would suggest that the Chairman appoint a small sub-

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committee for the purpose of getting in touch with the various people who are familiar with the legal situation, Commissioner Reilly and others, to see if they cannot in some way work out some procedure that would be simple and that would eliminate many of those difficulties and misunderstandings that exist. I think we would make more progress in that way than by discussing these questions in a more or less haphazard manner.

The CHAIRMAN: What particular subject would be submitted to this sub-committee?

Mr. SHAW: I would suggest any necessary amendments relating to the jurisdiction of the Appeal Board, or affecting the jurisdiction of the Appeal Board, and let them report, of course, to this Committee.

The CHAIRMAN: Why not make it a committee to look into the law regarding the Appeal Board as it now exists and what amendments should be made to it. It is not only a matter of jurisdiction. Is it the desire of the Committee that a sub-committee be appointed to look into this matter?

Mr. CALDWELL: Probably greater progress might be made in that way than by a general haphazard discussion, as Mr. Shaw has said. This small committee could bring in recommendations for consideration by the main Committee.

The CHAIRMAN: I would nominate Mr. Caldwell, Mr. Speakman, Mr. Shaw, General Ross, Mr. Humphrey, General Clark and myself. This sub-committee will have power to call in any other member that they choose.

Mr. CALDWELL: I would suggest that the sub-committee be given power to consult any one outside of this Committee.

Mr. SHAW: Yes, Mr. MacNeil, for instance.

By Mr. MacNeil:

Q. Regarding the interpretation of Section 11, subsection 1, of the amending Act of 1923, do I understand that you interpret that section so as to award pension to dependents after death as the result of a disability arising from disease or injury aggravated during military service, or do you require to be shown that the aggravation is appreciable?—A. I would take it that there should be an appreciable aggravation, or to put it another way, if the aggravation is negligible, then it will not be taken account of, although that is dangerous territory because we are getting perilously near assessment. In other words, we would not have the right to say that there was aggravation of such a per cent during such a period. As to questions of fact, whether or not there was aggravation, then we could say so.

Q. To put it another way, if a man entered the service with a disability and encountered such experience on service as to shorten his days by any degree, would you interpret that section as to pensionability to dependents?—A. I am not sure that we have considered any cases of that nature. My personal opinion is that the decision should be favourable in that case.

Q. As regards subsection B of Section 11, dealing with disabilities of pre-enlistment origin, do you in your interpretation consider that subsection is operative, whether or no pensionability is established in the previous subsection?—A. You are speaking of paragraph D?

Q. No, paragraph B "Pre-enlistment disabilities."—A. That is a very interesting question, Mr. MacNeil. I do not think that any cases have arisen under that Section where we had to answer that question. Our policy is not to have a set of decisions ready-made that can be applied to a case when it comes in, but to take each case on its merits,—there are marked differences between every case that comes before us,—and then interpret the law as best we can to meet the ends of justice in the case.

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Q. But there must surely be a general interpretation of the law of this section. Do you require that progress or aggravation shall be shown in order to award pension in respect of a disability held by the man as he emerges from service.—A. I do not think that it has ever been necessary to decide that, Mr. MacNeil, I cannot remember any case. Perhaps you can refresh my memory.

Q. Let us assume it would be possible to state that the man had 20 per cent disability when he entered the service. Let us assume he could leave the service with his 20 per cent disability, that he served in the actual theatre of war, which was not ruled out by any of the provisos at the end of the subsection. If we found that the disability was the same at the conclusion as at the beginning of service, in such a case we possibly would allow this section to apply.—A. I would prefer not to answer this question because there are so many factors entering into each case and which influence the nature of the decision I have given. You see it is hardly my function to lay down an interpretation of the law which may be of help to the official soldiers' advisers or counsel representing the appellants. It is better for them to interpret this section and then impress it as strongly as they can upon the quorum of the Appeal Board that is hearing their case, and in the course of time a body of law will be built up and there will be precedents for them to follow.

Q. Is there anything in the Statute now that prohibits the Pension Board from taking a judgment or an assessment as a factor and applying that in such a way as to exclude it from your jurisdiction on appeal? There are certain cases where assessment is certainly a factor in determining entitlement to pension?—A. Yes.

Q. One or more factors go to make up the general entitlement?—A. Yes.

Q. Is it possible under the procedure to-day for the Pension Board to so word their finding as to automatically exclude the man from right of appeal?—A. There again I must decline to answer because it savours of criticism of the method under which the decision of the Board of Pension Commissioners is arrived at.

Q. Would you suggest any safeguard?—A. You see, we have the language of the Act which defines our jurisdiction. Obviously if no disability is admitted then there is no appeal. There is nothing for us to pass on.

Q. Have you observed any cases where a man suffered from one or more disabilities and it is considered by the Pension Board that a portion of the disability is not due to service and they have stated that the disability due to service is negligible, quite ignoring the existence of disability apart from that, as regards the Pension Board?—A. I cannot recall any such case.

Q. Might I ask Major Topp if he recalls such a case?

The CHAIRMAN: Yes.

MAJOR TOPP: It is a very common matter indeed to find a file where the disability is stated to be negligible, sir, but in the majority of such cases, which have come under my notice, the decision that the disability was negligible was given perhaps two or three or four years ago. In other words, if I understood Mr. MacNeil's question rightly, there has been no case within my own knowledge where a new decision had been given by the Board of Pension Commissioners that the disability was negligible in extent after the appeal had been entered.

Q. Does the fact that right of appeal and assessment is not admitted to meet that situation, it is possible following judgment as to attributability from the Appeal Board, for them to so assess the pension as to make it negligible, with the ultimate result that the man does not receive pension?—A. It is quite possible for any man or any set of people to take action which is not in accord with their sincere opinions. Nothing that I have seen personally would lead me

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to believe that any such decision has ever been given by the Pension Commissioners.

The CHAIRMAN: If you would permit me, the law speaks for itself. What you are now saying is quite interesting. I will suggest to you that you will be called upon to give evidence and I would suggest that in your evidence you should embody these recommendations. You are examining the witness about the effect of the law but whatever he may say now will have no bearing on the future decisions or the future procedure by the Board. It would not be held by it. If his interpretation is in accord with the law he does not change the law. If it is against the law he cannot change the law either; so I think what would be more practical would be for you to prepare suggestions in writing and say, "Now, first, the law is defective because it does not meet such and such cases and secondly and thirdly and so on," and give your reasons; then we can work on that very much better than on the evidence of a man who is only giving his opinion as to the interpretation of the law. If you wish to continue you are welcome to.

Mr. MACNEIL: If you would accept my statement as evidence. I was not sure whether that would be possible.

The CHAIRMAN: Your statement will be on record and your recommendation will be on file.

Mr. MACNEIL: I was asking the question on the assumption that the officials of the Appeal Board are perhaps the only competent persons to give the information.

The CHAIRMAN: It does not change the law. It cannot change the law. We have to go by the law and if the law is defective, as no doubt it is in some points, bring out your recommendations and we will study them and it will be much more practicable. If you wish to ask any more questions you are welcome.

Mr. MACNEIL: That is all.

The CHAIRMAN: Are there any more questions to Mr. Reilly?

By Mr. Caldwell:

Q. I would like to ask Mr. Reilly his opinion as to the widening of the law to allow appeals on assessment. For instance, have you looked over the Act as it passed the House of Commons last year before it went to the Senate?—A. Yes, I saw it.

Q. Have you considered the practicability of that as compared with the present—A. I have given the matter some thought but it seems to me there is a duplication of work if you have the appeals in assessment. My opinion is that the Act works pretty well as it is, confining the thing to entitlement. I would not be prepared to recommend that it be widened.

Q. I do not know whether you are in position to come in touch with this feature of the complaint by the returned men or not, but personally my opinion has been that the greatest cause of complaint by the returned men is as regards the assessment more so than with regard to the decision of the Pension Board as to entitlement.—A. A man says that he is suffering from a disability of 50 per cent and he comes before the medical examiner and it is put down to 20 per cent; he claims he is suffering an injustice to the extent of 30 per cent. It is solely a medical question and there is very seldom any conflict of opinion as to the extent of the disability.

Mr. SHAW: There would be very few cases of assessment to consider, then?

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By Mr. Caldwell:

Q. I think General Ross will bear me out in this statement, that in a great many cases this contention of the returned men is backed up by what General Ross referred to as outside medical opinion?—A. Yes.

Q. It is absolutely ignored by the Pension Board in their decisions?—A. It is a medical angle of the case, I think. I think General Ross is more competent to give an opinion than I am. I do not know how you can arrange for a semi-appeal board within the Pension Act to review the decisions of the assessment doctors. Of course as it is now we have no authority and we do not examine the man's physical condition when he comes before the Board. Under the English practice, I believe they do examine the man. There is a doctor on the Board, as well as other men, and they settle right there and then what the extent of his disability is.

By Mr. Ross:

Q. I think you are coming there right to the real trouble. My contention has been right along, as I stated last year, that we should get the biggest doctors in Canada on the job. I do not believe that men who graduated since the war began are in position to assess. I say that again as a criticism of my own profession and I think that the men have that complaint, that there are big men in cities and towns. I have a case here of a man. He is assessed 15 per cent.—A. I think that is beyond my competence.

By Mr. Caldwell:

Q. You would not like to express an opinion on it, would you?—A. No, I studied the question largely from the legal end of it. When it comes to a question of policy of how you are going to use the medical men who are at the disposal of the Pension Commissioners instead of the Appeal Board, I do not feel competent to make a suggestion on that point.

By Mr. Ross:

Q. You believe if the man had a greater privilege of getting his adviser before the Board's advisers, then he would have less complaint?—A. As a sort of a round-table conference between the various medical advisers?

Q. Yes.—A. As an estimate made by all the doctors of the disability; then take an average of their estimate. That is how it works out in workmen's compensation cases.

Q. I think the Act is fairly good. It is the working out of the Act.

By Mr. Caldwell:

Q. I would just like to quote a concrete case to illustrate possibly quite forcibly just what takes place. I have a case in mind of a man who was granted full disability pension for tuberculosis, having been under the care of a doctor in a sanitarium for three months, a man of outstanding ability. His papers were sent down. The medical men on the Board in Ottawa, who never were within 500 miles of the soldier, say it was not due to service and his pension was immediately cut off. He was under full disability pension, after having been under the care of this man in the sanitarium for three months and his pension was cut down to seven dollars a month for gunshot wound in the knee. They ignored the other disabilities entirely. The case went through several fluctuations since. He was for several years on a pension of \$7 a month for his wife and children. Last year the case was up again and his pension was raised to \$21 and made retroactive during the whole period. This year his pension was cut off entirely. He was sent to a hospital at Halifax, was examined again and a heart condition was found which had shown through his whole case, although

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the tubercular trouble was the main trouble; still the Pension Board refused to consider this last opinion at all. The man is now without pension. He is appealing his case.—A. The case will come before the Appeal Board?

Q. Yes, and it is an outstanding example of an outside opinion being absolutely ignored by the medical men of the Pension Board. I am not speaking of their ability at all, but here is a man who never saw the soldier, deciding on his condition after the men who had been in charge of him for the three months said he was 100 per cent disability case and he was granted 100 per cent disability pension. It has a great influence on discontent among the men. The man is not getting pension at all. It is a cause of very great discontent among the returned soldiers. They do not think the man's case has been handled justly. Do you see the point I make?—A. Yes.

Q. More than that, another man who had attended him before he went to the sanitarium, for a matter of a year or over, within two months of his discharge said he had a hemorrhage at that time. He attended him intermittently for a year or over. He sent his bill to the Pension Board. The Pension Board paid the bill for attending the man but still they absolutely ignored the contention.

The CHAIRMAN: What contention are you making on that?

Mr. CALDWELL: It is that there should be a right of appeal as to assessment.

The CHAIRMAN: We must understand that nothing is so difficult in the world as to assess a man's disability. Take cases in Canada, under the Workman's Compensation Act; in France, under a similar Act; in Germany, in England, you will find that the same disability exactly is rated differently very often in each of the four countries.

Mr. CALDWELL: The acts differ in each country.

The CHAIRMAN: The Act does not differ at all. The Act does not define what accident will give rise to a disability of 25 per cent, 30 per cent or 40 per cent. The Act on that point is exactly the same but the opinion of experts is different. For instance, a man loses a right arm, up to the elbow, if you wish. In France, they will say—I am quoting from memory—"This is a disability of as high as 60 per cent in a case like that."

Mr. CALDWELL: I submit, Mr. Chairman, in different countries, you take the one act, in one country there is such a discrepancy of judgment under the one act.

The CHAIRMAN: I quite appreciate that, but we must not start from the standpoint that it is easy to determine the extent of disability.

Mr. ROSS: I want to confirm what Mr. Caldwell said. A very well known doctor told me that in consultation with one of the doctors of the Pension Board, the doctor said, "It is all right for you to give that opinion, but I can read between the lines here." He never saw the man.

By Mr. Shaw:

Q. Mr. Reilly, do you keep any record of the number of cases that are settled by the soldiers' advisers, which never come to the Appeal Board?—A. No, I do not think we have a full record. We have just a resume of the soldiers' advisers. We have not full statistics.

Q. Is there an appeal on assessment in the Old Country?—A. I believe there is. On the final award, yes, there is an appeal.

Q. Do you know the constitution of their Boards over there?—A. They are made up of three men, I think; a doctor, a lawyer and an accountant. There are district boards there.

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By Mr. Caldwell:

Q. Such as was proposed in this Act last year by the House of Commons?

—A. Yes.

By Mr. Scammell:

Q. Those assessment appeals are only in the case of a final assessment, when the man is going to have a permanent pension for life. He has the right to appeal against the permanent pension award and that goes before a board constituted of two medical men and one representative of the ex-service men.

Mr. SHAW: He has no similar right here.

Mr. SCAMMELL: No.

Witness retired.

Committee adjourned.

COMMITTEE ROOM 436,
HOUSE OF COMMONS,

WEDNESDAY, June 25, 1924.

The Special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers, met at 11 o'clock a.m., Mr. Jean J. Denis, the Chairman, presiding.

The CHAIRMAN: At the last sitting I thought we had a few more questions to ask of Major Topp. Perhaps I am mistaken, but at all events, if any of the members wish to ask him more questions he can be brought before the Committee. We will now proceed with the evidence of Colonel Parkinson.

Colonel N. F. PARKINSON called and sworn.

The CHAIRMAN: I think we might proceed by asking Col. Parkinson what recommendations in his opinion we should make regarding amendments to the D.S.C.R. Act. That is a most important question. Then we might ask him for a summary, a very short summary, of the activities of his department.

Mr. CARROLL: My idea about this is—I do not want to interrupt the proceedings—but I understand that we are here chiefly to discuss the report of the Ralston Commission, are we not?

The CHAIRMAN: Yes.

Mr. CARROLL: Then would it not be well to ask the Colonel to give us a brief summary of his opinions regarding the recommendations made in the report which has been submitted.

The CHAIRMAN: That would be a good idea. Col. Parkinson could take the recommendations, one after another, and in a very few words tell us what he thinks of them.

WITNESS: The difficulty I am placed in, Mr. Chairman and gentlemen, is that the report of the Ralston Commission, so far at least, deals with matters entirely of pension legislation and pension policy. As you are aware, while the department has responsibility for the administration of pensions; that is to say, while we are responsible for the payment and examination of pensions, we have nothing whatever to do with the fixing or interpretation of pension policy. Therefore, it is rather difficult for me to give an opinion on the Ralston Report as tabled. You are asking me simply for a personal opinion apart from any official connection with the matter of pensions. If you would pardon me, I would prefer not to answer the question for two reasons: First of all, because I am not connected officially with pension policy, and secondly, I have not really gone into this matter sufficiently to give an opinion in detail. There are one or two points on which I have an opinion which I do not think would be of much value to you because they are simply personal opinions formed not from contact with the work, but from simply reading and coming to certain conclusions. Furthermore, as you are also aware, the Ralston Commission is making, or is expected to make, almost immediately a very lengthy and detailed report dealing with Re-establishment matters; that is, matters that are definitely in the hands of the department which I represent for policy and administration. There are many matters which no doubt will be included in that report of very great interest and matters which will mean considerable changes in re-establishment provisions for the future, and if it were not for the fact, as I say, that that report is expected very shortly—and

in its preparation a great deal of time has been spent and a great deal of evidence taken—I would be very anxious indeed to place before your Committee many matters for consideration. There are several things which require change, several improvements to make in our regulations, in our Orders in Council, and possibly in the legislation. But as I say, since they are being dealt with so thoroughly and after such full investigation by the Ralston Commission, I hesitate to take up your time now in discussing these matters, for if I did so, I am afraid that it would require months to consider them fully and I understand that it is not the intention or the wish of the Committee to do so, but rather that I should deal with the things that may help you in connection with matters already before you, or in connection with things that possibly may not be dealt with by the report of the Ralston Commission.

The CHAIRMAN: I think we all appreciate the reasons advanced by Col. Parkinson. Legislation is a matter of policy and I think that that is a very good reason for Col. Parkinson saying that it is not his duty to come here to dictate matters of policy or to enunciate opinions on matters of policy. Therefore, I appreciate his reasons for not going over the report of the Ralston Commission because the main report is expected shortly. So I think we should limit ourselves to asking Col. Parkinson to bring before us whatever recommendations should in his opinion be made now in the interests of his department regarding legislation.

WITNESS: I would like to repeat that it is not because I do not consider it part of my duty but that really I have not studied the report sufficiently to be in a position to give you any good opinion in connection with it, so far as I can see. If I were in that position I would be only too pleased as an individual to place my views before you if you thought they would be of value, but, as I say, I have paid very little attention to pension matters.

By the Chairman:

Q. Have you anything to recommend regarding amendments to the Act?—

A. Yes, there are two matters that will not be dealt with by the report of the Ralston Commission, matters in a way of small importance, but which will require change in the legislation in the Re-establishment Act. The first one is the result of a situation that has arisen in connection with the administration of the department. Perhaps I might refer to the Re-establishment Act at the present time, the Act under which the department operates. It is somewhat longer than it was; at one time it was very short. One clause reads as follows:

“The Minister shall have the management and control of all such matters as are assigned to him from time to time by the Governor in Council, relating in any way to the re-establishment in civil life of all persons who since August 1st, 1914 served in the Naval or Military forces of his Majesty, or any of his Majesty’s allies, and to the care of the dependents of such persons.

“(2) Subject to the approval of the Governor in Council, the Minister may make such regulations from time to time as he may deem necessary and advisable.”

I will skip part of it.

“For granting authority to the Minister subject to rules and regulations approved by the Governor in Council, to employ such technical and special temporary staff as may be required to meet the special conditions that may arise in carrying on the work with which the Minister is charged, notwithstanding the Civil Service Act, 1918, and amendments

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thereto and other similar acts dealing with the Civil Service of Canada; provided, however, that the rules and regulations referred to shall contain such appropriate provisions as are necessary to have such appointments from time to time as are required certified by the Civil Service Commission."

Now, that last clause is the clause under which the staff of the department has been appointed. It is an administrative matter but one requiring change in the administration. At one time, as you are aware, we had 10,000 people in the department; to-day that number has dwindled down to 2,800, approximately. During all this time, we have gone on dealing with the staff under this clause, making promotions and transfers, and giving increases of salary and so on, as we saw fit, governed by Orders in Council which were passed under the authority of this clause. You might like me to read it. It is an Order in Council that provides the Department may grant holidays, may give increases in salary in accordance approximately with the Civil Service Act. In other words we have applied the Civil Service Act under the authority of the Order in Council and under the authority of this clause. One year ago, after we had been in operation for some three years, carrying on, and making reductions in the staff, we got a sudden bolt out of the blue from the Auditor General, telling us all that we did was illegal. We could appoint a man, tell him how much salary he was getting but we could not give him holidays and so on. Nobody was in position to do that for us. We could appoint a man but we could not give him any salary. I have been consulting with the Civil Service Commission, the Auditor General and everybody under the sun, and the only thing left for us to do, is to put an amendment to the Act giving us the power which we thought we had, legalizing the action we had taken in the past. It is an administrative matter which I hesitate pressing before you, but we do not know any other way of bringing it up. If I might read the clause it would explain the situation.

By Mr. Carroll:

Q. Do I understand that the Justice Department has given a ruling under Clause B that you are not empowered to specify what the salary of a technical man is?—A. They have given that ruling.

By Mr. Robinson:

Q. What was the date of the Order in Council?—A. P.C. 2941 of the 20th December, 1919. There were several of them. P.C. 1099, 23rd of May, 1922; P.C. 1325 of the 29th of June, 1922. There were three of them.

By Mr. Caldwell:

Q. Do we understand that the Auditor General claims you have no right, under the Order in Council?—A. No right under the Act to pass an Order in Council. He claims it is illegal.

Q. Does he claim you have no power under the Order in Council, or does he claim the Government had no authority to pass the Order in Council?—A. The Government had no authority to pass the Order in Council, that we cannot confer powers on the department that are not conferred on the department under the Act. In other words the Act only gives permission to appoint, not to grant holidays, leave or vacation.

Q. This authority would come through the amendment to the Act by Parliament.—A. I have arranged temporarily with the Auditor General to delay any action, because if it had been a matter of intentional wrong doing the Auditor General, of course, would have appealed to the Treasury Board and

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forbidden the department to issue any cheques, but it is quite evident that whatever was done was done in good faith. He has agreed to withhold any action until such time as the Minister gives the power—

Q. Has the Department sustained the ruling of the Auditor General?—

A. The Department has sustained the ruling of the Auditor General. According to the Justice Department and the Auditor General and Civil Service Commission, our action dealing with the Orders in Council as to the staff has been illegal. I have discussed with the Auditor General, the Justice Department and the Civil Service Commission these matters. This will legalize all that we have done and give us the power to deal with the staff in the future as we have done in the past. I am not asking for any change except to give us power to deal with the staff as we have done in the past.

By Mr. Carroll:

Q. Will the staff not come under the Civil Service Commission at all?

Mr. CALDWELL: It never did.

WITNESS: It did in the early days, but I think in 1919 it was taken away from the Civil Service Commission.

By Mr. Carroll:

Q. I do not understand the action of the Auditor General, because, why should authority be denied to name salaries?—A. They claim we have not the authority. They claim nobody has the authority.

Q. Have you in your department any legal adviser? Some departments have.—A. We have not got a lawyer. Mr. Scammell is our legal adviser. He is not a qualified lawyer.

Mr. SCAMMELL: He is better off for that.

WITNESS: I do not know whether that could be accepted as evidence. May I just read this?

The CHAIRMAN: Would you read the proposed amendment?—A. (Reads):—

“His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada enacts as follows:—

1. Paragraph (b) of Subsection 2 of Section 5 of the said Act as amended by Chapter 29 of the Statutes of 1919 (second session), is hereby repealed and the following is substituted therefor, to have force and effect as if the repealed enactment had been in the following words;

‘(b) to authorize the selection and employment of such officers, clerks and employees as may be required from time to time for the carrying on of the work with which the Minister is charged and the creation for this purpose of appropriate positions, notwithstanding anything contained in the provisions of the Civil Service Act; and the said staff and positions are hereby wholly excluded from the operation of the said Act and shall be subject in all respects only to the regulations made under the authority of this Act; provided nevertheless, that the employees selected and employed under the authority of the said regulations shall, as far as practicable be classified by the Minister in accordance with the schedules of classes of positions set forth in the Civil Service classification, and shall be paid such rates of salary as hereby prescribed, and the said regulations shall, as regards salary increases, leave of absence, promotions and resignations, conform as nearly as practicable to the regulations made under the Civil Service Act.’”

What we are proposing is that we adapt to the Department all the regulations and the classification of the Civil Service Commission, where it

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might possibly be done. In other words, that we follow the Civil Service Act in connection with the employees of the Department and that we have power to appoint and to authorize salaries and to make the whole thing retroactive.

Q. What is the next point?

By Mr. Caldwell:

Q. When that comes up in the House the question will be asked why it is not under the Civil Service Commission?—A. That has been dealt with some years ago. The reason it has not been put under the Civil Service Commission I can explain. In 1915 the Department was established as the old military hospital commission. In those days there were very few soldiers coming back and it was a question of planning our future. In 1918, 1919 and 1920 the Department staff grew from something like 200 up to 10,000 as I have told you. There were over 10,000 employees in the Department, together with the Board of Pension Commissioners, included in the department as far as administration was concerned.

By the Chairman:

Q. Even at that time they were not under the Civil Service Commission?—A. In 1920 there were over 10,000 employees in the department, together with the Department of the Board of Pension Commissioners. During this time we had a great deal of trouble with the Civil Service Commission, and they had a great deal of trouble with us. They simply could not fill our demands and we could not fill our own demands, having the thing clogged up. Both departments said at this time, "This cannot go on." About 1919, during the rapid growth the whole thing was taken away from the Civil Service Commission and put in the hands of the Department. The Government foresaw that there would be an immense temporary staff required for the handling of the re-establishment work and they were not at all anxious to have this staff appointed through the Civil Service. The fact that we have at this time, in 1924, reduced our staff to 2,800 employees, instead of 10,000 as in 1920, is proof positive that the Government was right at that time in its judgment, in getting rid of all the temporary employees. We are still reducing quite rapidly. Last year we reduced something like, I think, 600 employees. This year we will probably reduce 300 or 400. While that is going on it has been felt by the Government that they are not anxious at all to make permanent employees who will, many of them, in the course of a few years, be forced to be put out.

By Mr. Wallace:

Q. The whole department is a temporary department?—A. I would not say that. A great deal of it is, yes. Some of it will go along as long as the men live. Artificial treatment and pension and that sort of thing will go on as long as the men live, but the major portion of it, as Mr. MacNeil represents, only deals with the S.C.R. The Income Tax staff is handled in a different way. They appoint their employees under the authority of the estimates each year. They take authority under the estimates. We have our own Act and we are proposing these amendments, to deal with it in that way. The next subject is another matter, in connection with the handling of estates of insane ex-soldiers. If I might be permitted I would like Mr. Scammell to give you his view of this subject because he is familiar with it and he has dealt with it.

The CHAIRMAN: Yes, we will suspend your evidence.

[Mr. E. H. Scammell.]

Mr. E. H. SCAMMELL called, sworn and examined.

By the Chairman:

Q. Will you proceed with an explanation of the proposed amendment. Paragraph D of subsection 2 of section 5?—A. Perhaps I had better present the paragraph. Paragraph D provides that the Minister, subject to the approval of the Governor in Council may make regulations for the disposal of any moneys payable by the Crown or any other authority to the estate of deceased or insane persons who are being or have been so cared for under this Act, and for the disposal of such properties or moneys to such persons or their dependents as may be deemed expedient or the disposal thereof to the estates of such persons if deceased. We have to-day in our strength a considerable number of men, particularly among those who are insane, who have moneys due to them. We are holding their war service gratuity. We are holding back a certain portion of their pay and allowances but it has transpired that certain moneys due to these men were paid by the Department of Militia and Defence to public trustees and other outside persons. For instance, when a man, who was adjudged insane, was returned from overseas, he was placed, as a rule in the Government hospital at Cobourg, situated in the province of Ontario. If there was any balance of pay due to him that money was handed over to the public trustee or to the administrator of lunatics' estates in the province of Ontario. Some of these men are not now in the province of Ontario. Some have been transferred west; some of them are at Ste Annes in the province of Quebec; but these moneys are still being held by the Government of Ontario, and in some cases by other provincial governments and are earning no interest, and it has been felt that that should be taken charge of by the Department, and so long as these men are under our control the benefits of the departmental regulations, under which we can pay 5 per cent interest on moneys withheld, should be accorded to these men. The reply, however, of the provincial authorities has been, "You have no authority to grant us a valid receipt for these moneys. You have authority under the Act to hold moneys payable by the Crown, but not moneys which are in the hands of outside parties." Consequently this matter was discussed with the Department of Justice and it has been decided to recommend that this amendment be made. Paragraph D of subsection 2 of section 5 of the said Act as amended by Chapter 29 of the Statutes of 1919 (second session) is hereby repealed and the following is substituted therefor. The preamble, of course, applies. The Minister may make such regulations, subject to the approval of the Governor in Council:

"(d) For the receipt and retention of any properties or moneys held or payable by the Crown or any other authority, person or persons on behalf of any persons or their dependents whenever such persons are being or have been cared for under the provisions of this Act, either by medical treatment, training or otherwise, and for giving therefor a valid receipt, and in the case of insane persons who are being or have been so cared for under this Act the assumption or authorization of guardianship in whole or in part in respect of such properties or moneys; and for the disposal of such properties or moneys to such persons or their dependents or as may be deemed expedient or the disposal thereof to the estates of such persons if deceased."

I might add that it has been discovered that some of these moneys which are being held by the provincial authorities belong to men who have long since been discharged from treatment. Apparently no effort has been made to trace these people and they themselves are not aware of the fact that these moneys

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are due to them. If this authority is granted it is the intention of the Department to secure the repayment of these moneys and to see that they are sent to the men who should properly receive them, and in the case of their death to their heirs, which is the purpose of this amendment.

By Mr. Knox:

Q. What would be the total amount of this money?—A. The Government of Ontario is at the present time holding some \$70,000 in respect of men who are on our strength for treatment or who have been discharged. I cannot say how much any other governments are holding.

Q. It would be a proportion of the number of men enlisting in each province, I suppose?—A. No it will not, because all these men, when they returned, were placed in Cobourg and a good deal of the money that is held by the Government of Ontario to-day, probably 40 per cent of it, perhaps more than 40 per cent of it, belongs to men who are not now in the province. Some of them are in hospitals in British Columbia, some in Alberta and many in Quebec.

By Mr. Wallace:

Q. There would be probably not any very large amount held by the other Governments?—A. No, not a very large amount, but Ontario has the most of it. There is another aspect of the case which this amendment would cover. Occasionally money is due to insane men from some outside source. We had a case, not very long ago, where a man was left a small legacy by some relative in the United States. They wanted to clear the estate and they asked us if we could give them a valid receipt for the money, or hold it for the benefit of the man. They found, however, under our Act that we could not, and that money had to remain in the hands of some lawyer in the United States. If we had this authority we should have simply credited the man with it and hold it for him until such time as it was necessary to pay it for him or to expend it on his behalf. That is the sole object of this amendment.

The CHAIRMAN: I might point out that these amendments have been handed to me for examination, and I have compared them pretty closely with the present law, taking into consideration the explanations that have just been given, and it appears to me these amendments are not contentious; they are absolutely right. The first one is necessary for the good functioning of the Department. Moreover it has always been like this. The first amendment is brought in simply to give effect legally to what has been done so far because the contention of the Department, their interpretation of the law has been, that it should be interpreted in accordance with the provisions of the proposed amendment. I do not see that this is a contentious matter. It is a matter of administration, but as far as I am concerned I would not take the responsibility of telling the officials that I know better how to administer the Department, when it comes not to a matter of policy but a matter of administration. For my part I would not hesitate to declare immediately that the two amendments are to be part of our report to the House. If I might say this, as far as it is just a case of disposing of time, these gentlemen could go back to their offices and in the course of a week we could discuss the different amendments that are presented and I would ask the Committee to decide immediately if they are agreeable to passing a resolution recommending that these two amendments be made a part of our report to the House.

Mr. ARTHURS: I move that the amendments be referred to the House favourably.

Mr. WALLACE: I second that.

Motion agreed to.

Mr. PARKINSON: There is nothing else I have to place before you except that I would like to read for your information a short statement indicating still the necessity for careful consideration of the cases and the fact that cases are being dealt with quite frequently at the present time, new cases. You have had placed before you, I presume, information or at least representation as to the provisions made by the Department. In connection with the treatment of tuberculosis I have a short statement indicating the number of new cases that have been dealt with since 1921, of the total number of cases that have been accepted for treatment. In 1921, which was three years after the close of the war we took 598 new cases that had not been up for treatment previously. The total number of admissions that year were 1,350 including readmissions. In 1922 we took in 485 new cases of tuberculosis, new cases that had not been up before, where we accepted the evidence of continuity. There were 1,607 total admissions in 1922. In 1923, the fifth year after the war, we accepted 409 new cases of tuberculosis and the total admissions that year were 1,480. In 1924, for the first five months, we have already accepted 60. There are seven who have been discharged. Approximately 45 will be accepted. We have accepted in the first five months 105 new cases of tuberculosis in 1924. That is six years after the war. We have turned down only 48 so far of these cases. Now, the mental and nervous cases: In 1922 the total admissions were 1,200. I have no information as to how many were new cases. In 1923 we accepted 345 new cases, mental and nervous, a total of 716 admissions. In 1924 we have accepted 112 new cases, new mental and nervous cases, never taken up for consideration before, and the total admission so far is 300. That goes to indicate that our work is active now and we are getting a lot of new cases coming up all the time.

By Mr. Arthurs:

Q. These new cases are for treatment with pay and allowances?—A. Yes.

By Mr. Caldwell:

Q. Does that entitle them to pension?—A. Not necessarily, no. When I say not necessarily, I will tell you that in the last year I have not run across more than one case where we had accepted a man for treatment with pay and allowances that has not been accepted for pension. The reason for that is that every case that comes up for consideration is consulted on between the medical advisers and our own medical men.

By Mr. Arthurs:

Q. When you make that statement you mean cases that have not received attention before they were readmitted for treatment? Before that they were admitted for treatment?—A. Many of them were admitted. I say there may be one case that has not eventually been accepted for pension. We are getting pretty closely together and as a matter of fact we should, because the law is clearly the same. Sometimes our regulations differ slightly.

Q. These cases will continue to come before your Board for some years?—A. No doubt about that.

By Mr. Caldwell:

Q. Will these be attributable to service?—A. That is why we have admitted them with pay and allowances.

[Col. N. F. Parkinson.]

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Q. I have always felt that the Dominion Government should have that as a policy, even outside of returned men, in the case of tuberculosis?—A. Yes, we have had representations made along this line.

By the Chairman:

Q. Would you give the Committee financial summary of the expenditure of your department for the fiscal year ending 31st of March 1924?—A. Yes, sir. You would like a statement of the total expenditures?

Q. Well, a summary.

Mr. CALDWELL: Would you like that under different headings, Mr. Chairman?

The CHAIRMAN: Well, what do you say?

Mr. CALDWELL: Tuberculosis.

The CHAIRMAN: Would you rather have it that way yourself?

Mr. CALDWELL: Yes, I think so.

WITNESS: I cannot give you the expenditure for tuberculosis now. I can give you under headings the expenditure of caring for patients on account of vocational training, on account of various other items we deal with, but I cannot segregate the different parts of treatment or the different parts of training, but to give you the total for the fiscal year ending 31st of March 1924, I am afraid I have not got that here. I could give it to you ending 31st of March, 1923, but for 1924, I have not those figures with me.

Q. What is it for the 31st of March, 1923, the last fiscal year?—A. Yes, I can give you the expenditure to the end of March 1923, that is for the fiscal year 1922-23.

"General administration.. . . .	\$ 2,078,874 56
Imperial pension Office.. . . .	131,059 49
Care of patients and medical examination of pensioners.. . . .	7,067,863 59
Orthopaedic, ophthalmic and surgical appliances	328,750 69
Vocational training and loans expense.. . . .	64,192 05
Unemployment relief.. . . .	1,024,414 95
Information and employment.. . . .	83,214 53
Sheltered employment.. . . .	125,345 54
Pay and allowances—	
Treatment.. . . .	2,817,495 85
Training.. . . .	374,245 21
War and provisional bonus.. . . .	334,803 12
Federal Appeal Board.. . . .	
Other miscellaneous.. . . .	118,341 58
Cross operating expense.. . . .	14,618,601 16
Operating Revenue.. . . .	1,318,066 30
Net operating expense.. . . .	\$ 13,300,534 86

By Mr. Caldwell:

Q. What is included under the heading of general administration expenses?—A. All administration, salaries of the department, including administration salaries paid to employees engaged in pension work and everything else; all administration expenses in the department, salaries and other administration expenses; general executive and assistants, administration,—that is salaries apart from the higher salaries—accounts and audit, dental

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administration, provisional bonus, telephones, telegrams, postage and carfare; transportation and travelling of staff, stationery, printing and office supplies; rent, taxes and insurances; light, heat, power, fuel and water; maintenance and repairs to furniture and fixtures, automobile expenses, freight and express, advertising and publicity, relief investigations, etc.; miscellaneous expenses.

Q. This does not include your hospital staff?—A. No, it does not, and it does not include the workmen in the orthopaedic factory who are making artificial limbs.

Q. This simply provides for the administration?—A. Exactly, and everything chargeable to administration, including those other items I have read.

Q. Under what heading do your doctors' and nurses' salaries come?—A. In the estimates the doctors' and nurses' salaries come out of the salaries voted. Our general administration costs are submitted in our report. The salary report in the estimates includes all salaries, doctors, nurses, soldiers—

Q. And all those as well?—A. Not all these items.

Q. This comes under the different item from the hospital staff?—A. No, all this comes under salaries in the estimates. The salaries in the estimates include all salaries.

Q. I think that when the estimates come down they should come down under those headings?—A. I think so too. If you can convince the Finance Department or the Auditor General's Department—

Q. That is why I ask these questions. I have always thought that we know very little of what we are voting money for?—A. Take the estimates of the Post Office Department. In the House I think there was some criticism of our department to the effect that forty or forty-five per cent of the total cost of the department was represented in salaries. Is that a criticism after all? Take the Post Office Department. 90 per cent of its expenses is in salaries. Take any hospital in the country; take the General Hospital in Toronto or the Royal Victoria hospital in Montreal, or any other Hospital; there is no hospital in the country in which you will not find that the salaries represent less than 50 per cent and sometimes 60 per cent of the administration. It would give much more information to the House if it were brought out in this way. In addition we spent \$32,513,652.59 on pensions. In addition we spent approximately \$6,000,000. on Imperial pensions.

Q. You paid that much on pensions. Was that actually paid on pensions?—A. Actually paid on pensions.

Q. Outside of administration?—A. Yes, paid in pensions \$32,513,652.59. In addition, we paid in pensions to Imperials approximately \$6,000,000. making a total expenditure by the Department of approximately \$52,000,000. in 1922-23.

Q. What did the administration of pensions cost, because I take it the other administration costs were only in the Re-establishment?—A. It is all in the Re-establishment, except the small amount paid to the pension Commissioners themselves and personal staff. They have nine medical officers, a secretary and a few clerical assistants. It amounts to \$90,000. in a year.

Q. Outside of that, it all comes under the D.S.C.R.?—A. Yes, all pension administration comes under that, outside of that one item.

By the Chairman:

Q. Of this \$52,000,000, have you been refunded anything?—A. That \$6,000,000 that we paid on account of Imperial pensions, that is British money that we have.

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By Mr. Caldwell:

Q. Is the cost of the Imperial pensions paid by the Imperial Government?

A. It is paid by us and it is refunded to us.

Q. Is all the administration costs included in the estimates?—A. Included in our estimates.

Q. As well as the actual pensions paid?—A. They are not included in our estimates, because we use British money. Imperial pension office,—\$131,000.—that is the amount paid out in salaries and the cost of handing the Imperial pension office.

Q. Pensions which come—A. From the British Government. We write the cheques and draw on them.

Q. The actual Imperial pensions do not come from the British Government?—A. No.

By the Chairman:

Q. You draw the cheques?—A. We have authority to draw cheques for the British pensions.

By Mr. Caldwell:

Q. Your authority is to draw on the British Exchequer, not the Canadian?—A. No.

Q. They are charged against the Imperial Government?—A. They are charged against the Imperial Government.

By the Chairman:

Q. I suppose you pay in dollars?—A. In some cases, yes, we pay in dollars; in some cases in pounds, shillings and pence where a man is receiving pension out of the Imperial fund.

By Mr. Caldwell:

Q. How do you work that out in view of the exchange?—A. The man attends to that.

Q. He takes the British pound?—A. He takes the British pound, yes.

Q. Who bears the depreciation in the pound?—A. At one time the British Government bore it for him, but that provision was cancelled.

Q. And now he takes it?—A. He takes it and cashes it himself and bears the depreciation.

Q. There was quite a controversy between our Government and the Imperial Government about it, was there not?—A. Yes.

Q. Did we ever get reimbursed for that money that was expended?—A. No, never. When it was first put into effect it was considered that the British Government would accept the responsibility and eventually reimburse the Canadian Government, but they refused to do so. Of course, the depreciation was reduced considerably. At that time the pound was down much more than it is to-day, and a man is not losing so much.

Q. What amount were we out on that transaction?—A. I have not the information; I do not know whether Mr. Paton can tell you.

Q. I do not know whether it is material; it is a closed incident?—A. It is a closed incident, we will never get the money.

Q. No chance of it?—A. No chance.

Q. On what grounds did the British Government base their refusal to reimburse? Was it that you had no authority to pay in Canadian money?—A. They looked upon it from the point of view of the responsibility they had to the men which they said applied only in the case of the man who did not leave the country. He was being paid a British pension, and they said "If you choose

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to leave England or Great Britain, that is your lookout." They said "We will give you a pension of 40 per cent in British funds, and if you go to another country, that is your lookout."

Q. We took the same stand in regard to our pensioners in the United States?—A. Yes.

Q. We paid in Canadian money?—A. Yes.

Q. Then I do not see that we have any fault to find with the British Government. I think the mistake was in ever assuming that depreciation of the pound in payment of pension to the Imperial soldier. The Department should never have assumed that?—A. That is a matter, I think, of policy.

By the Chairman:

Q. Would you tell us just exactly about that transaction? You were paying those men in Canadian dollars?—A. In some cases. You see, there were ex-Imperials who lived in Canada prior to the war and they were granted pension by the British Government. In other words, here was a man who lived in Canada before the war. He was a British Reservist, and although he was a Canadian he joined up in the Imperial flying corps as many did, and served with their forces and then came back to Canada. He was awarded a 40 per cent pension by the British Government. They said to that man "By virtue of the fact that you are to all intents and purposes a Canadian who served in the British forces, we will permit you to take your pension of 40 per cent payable at the Canadian rate, and we will bear the cost of it." In other words, his pension at 40 per cent would be so many pounds, shillings and pence, depending on his rank; say \$28 a month in Canadian funds converted. On the other hand, if he took the Canadian rate he would get \$40 a month.

Q. A man getting 40 per cent pension in England did not get in dollars and cents as much as he would get under the Canadian rate?—A. Exactly, in certain cases.

Q. It was not a matter of exchange?—A. No.

Q. We paid a higher rate for 40 per cent than the British Government?—A. Exactly, the Canadian total disability is higher than the British.

Q. Then it did not relate to exchange?—A. No, it eliminated the exchange question. If they chose to take the Canadian rate of pension, there was no exchange, because they were paid in dollars and cents. In the case of those men who did not accept the Canadian rates, the reason they did not accept was that they felt, in certain cases, that it paid them to keep on taking the Imperial rate of pension. In certain types of pension, the amount payable even in dollars and cents is greater to the Englishman, than if he took the Canadian rate.

By Mr. Caldwell:

Q. These would be officers of higher rank. That would not apply to the privates?—A. No, not to the privates.

Q. That is, the rate of pension for an officer above a certain rank was higher in England, but below that rank it was higher in Canada than in England?—A. Exactly. So the men who got the higher rate elected to take the British pension but was subject to the exchange provision. He got the higher pension anyway, even if he took the Canadian pension, and there is not so very much injustice being done to him if he is being paid the British pension. The only man who really suffers is the man who comes out here, who did not live here before the war, and who is paid his British pension at British rates. The private gets a very small pension, and he has to suffer the exchange as well. But the position the British Government took was "If you are going out to Canada, that is your

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business; you know what you are going to get and the exchange will cost you a certain amount."

By the Chairman:

Q. Can you tell us how your department came to pay those British soldiers in Canadian funds, when they should have been paid in British funds, at the British rate of exchange?—A. We never paid anybody in Canadian funds unless they elected to take the Canadian rates of pension.

Q. There was a dispute between our Government and the British Government about paying British pensions at the Canadian rate?—A. No, about paying pensions at par.

Q. That means in Canadian funds?—A. Well, yes; it was the rate of exchange. They got their pension in pounds, shillings and pence, but we made it up to them at the par rate of exchange.

Q. Why was that done? That is what we never got back?—A. No. It was done on the recommendation of one of the Parliamentary Committees. I do not know very much about it, particularly I do not know the reasons.

Q. I think you are wrong in saying that it was on the recommendation of a Parliamentary Committee. Or am I wrong?

Mr. SCAMMELL: You are wrong, Mr. Chairman.

WITNESS: Certain recommendations were made by the Parliamentary Committee.

Q. Did those recommendations include this?—A. That we should make representations to the British Government to refund. They made the suggestion that we should endeavour to get it back from the British Government, but I do not think that they put it up as a condition precedent to paying that we should get it.

Q. The Parliamentary Committee recommended that we should pay in dollars and cents and at par as far as pounds were concerned?—A. That we should cash the British pensions at the par rate of exchange.

Mr. CALDWELL: It is my recollection that the Department was instructed to get in touch with the British Government, and endeavour to have this done.

WITNESS: It was, but not as a condition precedent to paying. It was definitely recommended that the pensions should be paid at par rate of exchange, and also that the Department should endeavour to get in touch with the British Government and try to get them to refund this. But they said "No." When the matter came up before another Parliamentary Committee it was intimated to them that we had endeavoured to have the money refunded, but that the British Government said "We will pay no more at par."

Mr. SCAMMELL: From the 21st of July 1921 to the 31st of March, 1922 the loss was \$67,371.30.

By the Chairman:

Q. If a man was entitled to pension of one pound a month, you would pay him in Canadian money \$4.86 a month?—A. We gave him a cheque for a pound in British currency, or he had a cheque for one pound in British currency and there was stamped on the back of the cheque "This cheque is payable at par at any bank," and the difference had to be collected from the bank by the Government. He gets the cheque in British funds, and he could get it cashed at any bank in British exchange.

Q. You say you did that on the recommendation of a Parliamentary Committee?—A. Yes.

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By Mr. Arthurs:

Q. On the recommendation of this Committee?—A. I think it was this Committee.

Q. It was largely owing to the fact that the Air Force was almost entirely a British force; it was done for the benefit of the men in the air-force?—A. They were all Canadians and had served with the British forces.

Mr. ARTHURS: I remember the incident quite well.

By the Chairman:

Q. In what form was that recommendation made to you?—A. It can be found in a copy of the report of the Parliamentary Committee of that time, I think it was in 1919 or 1920.

Mr. SCAMMELL: This question first came up before the Committee which sat in 1919. At that time the Committee recommended a fairly large appropriation for the purposes of relief, and it named certain specific purposes for which this appropriation could be used. One of those purposes was to pay the difference of the exchange on all Imperial cheques that were payable here. That continued until that relief appropriation expired. Then a subsequent Parliamentary Committee decided that it should be continued in respect to pension, and as Mr. Caldwell pointed out, a rider was added that the Government should endeavour to obtain from the British Government a reimbursement of the expense entailed. So it twice came before Parliamentary Committees, and there have been resolutions on the subject. The third time it came up was in 1922 when it was decided to discontinue the matter from the end of June of that year.

The CHAIRMAN: What I could not understand was your getting direct instructions from the Committee.

Mr. CALDWELL: No, the Parliamentary Committee recommended to the House.

The CHAIRMAN: It was in their report then, the report as passed by the House?

WITNESS: Oh yes. Then we had passed an Order in Council.

Mr. CALDWELL: Based on that?

WITNESS: Yes.

The CHAIRMAN: Then it was not a recommendation of the Parliamentary Committee; it was a recommendation of the House acting on a recommendation by the Parliamentary Committee.

WITNESS: Yes, certainly.

Mr. CALDWELL: It originated in the Committee and was confirmed by the House.

WITNESS: I think that is all I have to say, Mr. Chairman.

By Mr. MacNeil:

Q. May I suggest that you give the Committee some information concerning Vet-Craft shops in Toronto and Hamilton and indicate their advantages?—A. That is the question of sheltered employment.

Q. What is the number of men now employed in the Vet-Craft shops?—A. Approximately 350.

Q. May I ask you as to the co-operation of the Red Cross societies in the various provinces?—A. You will pardon me, if I make a general statement to the Committee. The subject of Vet-Craft shops, to be more explanatory, deals with the question of the provision of sheltered employment. We have had in connection with re-establishment very many different forms of establishment

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tried out. First of all, to take the early scheme, there was the question of vocational training which was a very big thing in its scope and dealt with a very large number of men, something like 52,000. Then there was the question of general employment dealt with, starting with an information and service branch. It placed a large number of men in positions during the first few years after demobilization. As times were bad, that led to a provision of relief, and relief has been given out in large sums and under various societies from that time up to the present time. After all these things were given effect to and the work was done under the various provisions made, as far as vocational training, employment, relief and so on were concerned, we still had problems, and we have problems to-day, involving final provision for certain types of men. One method of dealing with a certain class of men has been the provision of sheltered employment. Sheltered employment has been under consideration in every country in the world that has had the re-establishment of soldiers to deal with, and in this country, we have endeavoured to have a definite trial made of this scheme, with proper organization, involving the co-operation of business people and public men throughout the country. We approached, in the early days, several organizations to assist us in this work. Eventually the one we chose or that accepted our request was the Red Cross, so that in the following centres we have established workshops, which I will describe a little more fully later, in co-operation with the Red Cross: one in Victoria, one in Winnipeg, one in Vancouver, one in Montreal, one in Halifax and one in St. John. We have definite agreements with them in all these sections and workshops are operating under the Red Cross, with our assistance. We have two shops, one in Hamilton and one in Toronto. These shops take care of a certain type of men. The man is a pensioner, who, in addition to his pension disability, has some other disability. He might have a total disability of 80 per cent, and only 20 per cent of it due to war service. He therefore gets a 20 per cent pension. Their condition is not only unfortunate but impossible, as far as ability to live is concerned. Being pensioners, they are entitled to relief from us and we have felt that instead of giving certain of these men relief we could get certain work out of them. In other words, they had certain ability to work, which if properly applied and properly used could be made to produce, and with this in view we have started workshops to take in that type of men. A man who has disability to prevent him from engaging in an ordinary occupation but who was provided with sheltered employment would be able to produce something towards his own assistance and with that in view we have started these shops where we have instituted such occupations as light wood work, light metal work, weaving, furniture repairs and a variety of things, involving work of a lighter type, where we have provided special facilities for the men to work at those occupations. In each case we have endeavoured to get and have got the co-operation of the Red Cross, except in the two shops, the one in Hamilton and the one in Toronto. The cost to run these shops has been below what it would have cost us to give these men relief. The point we are looking at is, when we come to a place where it is costing us more to run the shop than to give him relief, it is not run to advantage.

By Mr. Caldwell:

Q. That is the net cost?—A. Yes. The system of pay to the man is to pay him a straight hourly rate for the time he is employed in the shop. We pay no attention to his pension. It does not matter what the pension is. The only time we pay attention to the pension is on admission. It is a condition precedent that he must be a pensioner before he can be admitted. Once he is admitted it makes no difference what pension he gets, as far as the money he gets for his

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work is concerned. We pay rates varying from 30 to 40 cents an hour. The minimum rate is 30 cents an hour in any shop. We pay the man on the basis of the time he puts in on his work in the shop plus payment for the time he is unavoidably away through sickness. We do not pay him for leaves of time, when he is away without legitimate excuse or without just cause. In other words we are trying to operate that on a workshop basis apart from any consideration of outside help. We are trying to make them feel they are working in a workshop and they are paid for the time they are working in the shop. Of course, there are difficulties even under those conditions, but we feel now, after trying the scheme for three or four years, that the thing is going to be established for all time to come. No doubt we have men in there now who should not be there. There are men who are beyond the limit of sheltered employment. We have put them in there at the cost of the workshops because we have felt it was better to keep them employed anyway, keep them busy and keep them off the streets. Giving a man relief, after all, is not the best thing and it is better to have them in there at a cost that would not justify itself, as far as he is concerned. So far, on the whole, the shops have paid for themselves and it has been cheaper to keep the men in the shops than to give them relief, and there has been justification for their existence so far. What will transpire in the future depends on many things, of course.

By Mr. MacNeil:

Q. Would you consider the extension of their operations to include a larger number of men in the same categories with disabled men?—A. I do not think conditions warrant extension at the present time, until such time when some definite policy is established for a certain class of men who are really not suitable for these shops.

By Mr. Caldwell:

Q. At what points have you these established?—A. At what places?

Q. Yes.—A. The shops are established at—

Q. All the craft shops?—A. There are these two points, the one at Hamilton and at Toronto. All the others are under the Red Cross.

Q. Do they get a subsidy from the Government?—A. The arrangement with the Red Cross is that we pay 85% of all capital expenditure involved. That is for the purchase of machinery, the premises—we do not purchase the premises; we rent them. Any machinery purchased remains our property in the percentage of 85% at the present time. The Red Cross pay 15% and they keep a 15% equity. They have a stake in the matter but we want them to give their co-operation. They are interested because they are more or less inclined to look at it as their own scheme.

Q. In addition the total administration of the shops is in the hands of the Red Cross. You have no official in the shops?—A. No. We have no official in the shop. We have an official who advises with their committee and with them, but not one who has anything to do with the actual operation. They operate the shop, pay all expenses and we pay 75% of the operating deficit up to a maximum contribution on our part of \$30 a month. We never pay more than \$30 a month for any man in the shop no matter what the deficit might be.

By Mr. Speakman:

Q. Have you received any applications for extension to other centres?—A. To other centres.

Q. To other provinces and other parts of Canada?—A. We have not received applications for extension, Mr. Speakman. It has been represented that a shop might be started—in the early days it was represented that we might start a shop in Calgary, but we did not think there was enough license for it at the

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time. I have received a communication from the G.W.V.A. at Calgary asking if that could be done. There has been no representation recently to us. We have had representation, as I say, in the early days, when we first started operating workshops, that we should do something in Calgary.

By Mr. Caldwell:

Q. But you did not feel there would be enough there to start a shop. How many would you need to start a shop?—A. Twenty-five, I should say.

Q. At what points are they, the vet. craft, including the Red Cross.—A. Victoria, Vancouver, Winnipeg, Hamilton, Toronto, Halifax, Montreal and St. John. We are dealing with a few men in London and Kingston, Ontario, but not in a regular shop.

By Mr. Speakman:

Q. Do I understand if you receive representations and you find there were insufficient men who would be conserved to form the unit, then there should be something done?—A. We would take it up with the Red Cross immediately.

Q. I have not got the details. I have simply a telegram.—A. My information is that there are not more than six or eight of the men in Calgary district that would be available for a scheme of this kind.

Q. I received a telegram, rather a strongly worded request that it should be considered establishing a point somewhere in Alberta, similar to the one in London or Kingston.—A. My information is that there would not be more than eight or ten men in Calgary at the outside.

By Mr. Caldwell:

Q. That information could be had from the G.W.V.A. at that point.—A. It seems to me any expensive extension should be delayed until such time as some definite policy is arrived at in connection with dealing with it. Some men are in there who should not be there.

Q. It is a thing which must come in time.—A. I think eventually.

By Mr. MacNeil:

Q. Would the solution of the problem of the disabled be solved, in your opinion, by the extension of the recent Order in Council provided for in the City of Toronto?—A. No, I do not think so. I think it will deal with a certain other group. The problem of dealing with the re-establishment of the disabled will never be settled, as far as the Government is concerned, altogether settled, because there are problems that are impossible of settlement, on account of the type of men you have to deal with. I am speaking now of settling the problem by giving all the ex-service men employment. Some of them never will be employed, but I think the scheme in Toronto will assist largely in dealing with a group of men who have been thrown off in the various schemes that have been in effect and will deal perfectly with quite a large percentage of them.

Q. Will the Department require authority from Parliament for an extension of that scheme to other centres, where reorganization would be established? A. No.

By Mr. Caldwell:

Q. What is this scheme?—A. The scheme is a further re-establishment scheme, Mr. Chairman, based on the old principle of vocational training and given effect to entirely by civilian or outside persons, outside the Government, that is, people in the city of Toronto. The Board of Trade, the Canadian Manufacturers Association and certain representatives of veterans organiza-

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tions and other people in the city of Toronto have approached the Government with a proposal to apply a scheme they had adopted, or had drawn up for dealing with disabled ex-soldiers, who still required re-establishment in the city of Toronto and district.

Q. Who did not come in under any of the already existing schemes?—A. They came under some of the existing schemes, but if they had come under it they had not been dealt with, as I say, to deal with a throw-off of schemes that had been in existence. It might deal with people who had been given vocational training and who had been left outside for one reason or another. This is the scheme roughly. A man will be taken, through the efforts of the civilian committee, will be placed in an organization for occupational training for three or four weeks, during which time he will be paid by the employer. At that time he will be absorbed into the occupation in which he has been trained. It is really again the application of the vocational training system of the Department, but a group of men should be left out or they have fallen out of the various schemes which have been put into effect for re-establishment by a committee of people outside the Government, who felt they could obtain some success through its application. I might just read the names of the persons who compose the Committee. First in all:

Melville P. White, Esq., Chairman, Canadian Manufacturers' Association, Toronto Branch; Works Manager, Canadian General Electric Company, Ltd., Toronto.

R. A. Stapells, Esq., President Board of Trade, Toronto, President McIlroy Manufacturing Co.

A. O. Hogg, Esq., President Hogg, Lytle Company (Grain).

J. A. Tory, Esq., Supervisor, Sun Life Assurance Company.

F. D. Tolchard, Esq., Secretary, Board of Trade, Toronto.

John J. Gibbons, Esq., President J. J. Gibbons advertising Co.

J. M. McIntosh, Esq., Secretary Canadian Manufacturer's Association, Toronto Branch.

Capt. W. W. Parry, Arnoldi, Parry & Campbell, Barristers.

Major B. Wemp, Alderman, City of Toronto.

Col. A. T. Hunter, Hunter & Hunter, Barristers.

Brig.-General J. A. Gunn, President, Guns, Limited.

Maj.-Gen'l. Robt. Rennie, Wm. Rennie Company (Seeds).

W. H. Alderson, Esq., Gutta Percha Rubber Co. (Vice-President).

C. J. Doughty, Esq., Board of Education, Manager of Maintenance.

H. C. Cornish, Esq., Newspaper reporter.

Dr. A. H. Abbott, Secretary, Canadian Red Cross.

J. M. Godfrey, Esq., Barrister.

L. B. Beath, Esq., W. D. Beath & Sons, Limited.

J. Warwick, Esq., Secretary, Soldiers' Aid Commission.

A. M. Hunter, Esq., Executive Y.M.C.A., Toronto.

W. H. Nichol, Esq., Industrial Engineer, Canadian General Electric Co., Ltd., Toronto.

Rev. T. Crawford Brown, Minister.

Dr. G. W. Graham, Physician.

T. A. Stevenson, Esq., Trades and Labour Council.

B. J. Miller, Esq., B. J. Miller & Co. (Sanitary Engineers).

J. R. Yeo, Esq., Broker.

W. T. Kernahan, Esq., Manager, O'Keefe's Brewery.

A. E. Padbury, Esq., Representative, Patients, Christie St. Hospital.

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Q. Is this proposal just for the City of Toronto?—A. So far, although I believe the Minister indicated in the House that if there were similarly constituted committees from other centres their proposals would be given every consideration.

Q. But the initiative must be taken by business men?—A. The Department is not proposing to go out and organize these things because I think we found pretty well, unless a thing of this kind is a voluntary effort on the part of the people who are going to give the service, it is difficult to get their assistance.

Q. What would you estimate the cost at?—A. The estimated cost, I am quite satisfied, is away out of proportion to what the thing will cost. The estimate was \$300,000 for one year. I personally think it will not be \$150,000 for a year.

Q. It will depend on the extent to which it will be taken advantage of and what proportion by the Department?—A. All paid by the department.

Q. I think you do not get my question.—A. To the men?

Q. Yes.—A. Their scheme is roughly that the man will be paid, will get what they call a "hiring in" rate, no matter what his occupation is. He will be paid 32½ cents an hour during the training period. A certain portion of that will be made up by the employer. Anything less than that will be made up, to 32½ cents, by the Committee.

Q. Is there no proportion to go by?—A. That will be settled by the individual consideration depending on the employment the man is placed at and his previous experience.

Q. Is that so in vocational training?—A. That was so in the vocational training. It is hard to say in all cases if the employer will pay so much, because if the man is useless or more than useless he costs the employer money during the first week, and the men damage machines and so on. I think a scheme like the old vocational training scheme has large possibilities and I think it has good possibilities here, being applied by men like the ones I have mentioned, being interested in the city or civilian points.

Q. I would like Mr. MacNeil's opinion on this, as to the value of vocational training and the possibilities under this.

The CHAIRMAN: Mr. MacNeil will be heard on this later.

By Mr. Caldwell:

Q. I would like to have Mr. Parkinson's opinion as to the value of the vocational training that has been carried on.

Mr. PARKINSON: As to the value of the vocational training that has been carried on.

Q. Yes.—A. I do not think we can say enough about the value of the training that has been carried on. We have had placed before us a large number of cases of men who have been dissatisfied and men who have not made out successfully, but we never hear much of the number of men who have been very successfully dealt with by vocational training.

Q. What percentage would you say was dealt with?—A. We dealt with 52,000 cases of vocational training. Inevitably in that number there would be some misfits. I am not claiming that the Department's putting into effect vocational training was by any means perfect. I know only too well it was not. Furthermore, we must know that there must be a large number of men who were not fit to take advantage of a scheme of that kind. Immediately after the war, when the scheme was being inaugurated there was the most serious

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depression the country had known for years and years, when it was impossible to keep anybody in employment with assurance, and we had conditions to face in that way which made it difficult to give statistics that are of any value at all. I would say that at least of 60 per cent who have been handled in vocational training, it has been difficult to estimate the value given to them.

Q. I quite agree with that. Of course there was always a small percentage of men that chose professions or occupations that they were not suited for at all.—A. You cannot avoid that. Right after the war my first employment with the Department was where I had to advise men as to the course of training they should take. They would insist they should be motor mechanics. They had the one idea. They had seen those fellows flying in the air and they were going to do the same thing. Men came in that not only could not run a motor car, but if you put them in one it would be dangerous. There were two or three occupations they wanted, motor cars, telegraphy. A lot of them had a little knowledge of the Morse Code, and we all had certain expense in using the Morse Code, but these men came in and they wanted to engage in telegraphy or as motor mechanics. You could not argue them away from it. They would say, "That is the trouble with the Government. They won't give a man what he wants." But apart from that it was an inestimable benefit to the large majority of the men who accepted vocational training and had it.

By Mr. MacNeil:

Q. Does the Order in Council of last November, relating to war service gratuity affect in any way the rights of men who have undergone long periods of hospitalization in your Department? You are concerned with the administration of war service in that respect?—A. Rather than answer that in a specific way I will give a more general answer, and that is that speaking of the rights of the ex-soldier, he was given by Order in Council the right to receive a war service gratuity, based on the length of service, on his discharge. That authority was given, I think, in 1918. It involved, as I say, a grant to a man of a certain amount of money, based on the length of service he had given in the army. A large amount of that money was not paid out for some considerable time for more than one reason. First of all there were quite a few men discharged from the army before 1918, before the provision was made to apply, and these men knew nothing about—of course there was no provision at the time they were discharged. They moved off to outlying districts, outside of Canada in some cases and knew nothing really of this gratuity to their benefit at that time and we have evidence to show that some of them know nothing about it to-day, and the Government collected the war service gratuity. After all they say the man's right in that case rests in the hands of the Government. It is true that until the Order in Council of November was passed every man who had served in the Canadian Expeditionary Forces had a right to receive war service gratuity. An Order in Council for administrative purposes, was passed in that year by the Department of National Defence which provided that no more war service gratuities would be paid unless the application was received before the end of March 1924. That is no doubt what you mean, if the man's right has been interfered with or his right was cut off, unless he applied before March 31, 1924. When I told you that I had evidence to show that there were some cases where the man never collected war service gratuity, I think Mr. Seammell has evidence of people who wrote in for assistance and did not know that they ever had any war service gratuity coming to them. They write in and want a loan or something of that kind, and we find they have war service gratuity coming to their credit. They cannot collect it now because they did not make application in time.

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By Mr. Caldwell:

Q. That was an Order in Council, you say?—A. Yes, an Order in Council of November, 1923.

Q. What prompted the Order in Council?—A. It was a Militia Order in Council, a National Defence Order in Council, for some purpose or other. They wanted to close out the branch. I do not know exactly what prompted it. We have nothing to do with that except as it applies, and as Mr. MacNeil points out we only give war service gratuity to people on our strength.

Mr. SCAMMELL: There is one case that it does not affect.

WITNESS: Well, he is in with the rest.

By Mr. MacNeil:

Q. Would you go so far as to recommend that provision be made for its extension now?—A. If I did, I would only recommend it to the Minister. It is a matter of Government policy.

Mr. SCAMMELL: I find a French copy of the recommendation which I had previously referred to, perhaps you will read it, as I am not very good at translation.

The CHAIRMAN (Reading):

"Recommendation. Your Committee recommends that the Minister of Finance shall make arrangements for the conversion at par of cheques issued by the British Government in payment of balances and allocations or pensions for service in the Imperial armies of those who, bona fide, were domiciled in Canada at the time of the declaration of war and who were engaged in the service of said armies."

Mr. SCAMMELL: That was a recommendation of the 1919 Parliamentary Committee and provision was made for a special appropriation to cover that and some seven other items, payment of cheques at par for Canadians who enrolled in Imperial units. That continued for about two years.

By The Chairman:

Q. Provision was made how?

Mr. SCAMMELL: By this vote of Parliament. A Parliamentary committee sat in 1920, and that was the one that Mr. Caldwell was referring to.

"Discount on sterling funds.

Suggestion: That the policy be continued of cashing at par sterling cheques payable to Canadians who served in the Imperial forces.

While your Committee thinks this obligation might well be assumed by the Imperial Government and that representations to that effect should be made, it recommends in the meantime that the Department of Finance should make arrangements to continue cashing at par cheques payable in sterling issued by the British Government or by the Board of Pension Commissioners on behalf of the British Government in payment of pay and allowances, gratuities or pensions to or in respect of ex-members of the Imperial Forces when resident in Canada or to the dependents when resident in Canada of such ex-members of the Imperial Forces provided such ex-members of the Imperial Forces were bona fide domiciled and resident in Canada on the 4th of August, 1914."

The next reference in the parliamentary Committee report is in the 1922 report.

Mr. CALDWELL: It is a closed incident now. I do not think we should take up the time of the Committee with it.

The CHAIRMAN: With the explanation which Mr. Scammell has given us I think that is quite sufficient. I understand we have to conclude with Colonel Parkinson's evidence. If anything more is to be asked it should be asked you. You will not be called back at the next sitting. You are through with your evidence.

Mr. PARKINSON: Yes, sir.

Witness discharged.

The Committee adjourned.

COMMITTEE ROOM 436

HOUSE OF COMMONS,

FRIDAY, June 27, 1924.

The Special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers, met at 11 o'clock a.m., the Chairman, Mr. Jean J. Denis, presiding.

The CHAIRMAN: The members of the Committee will remember that the evidence of Major Topp was adjourned in order that we might hear Mr. Reilly. As we are now through with Mr. Reilly, we will recall Major Topp and take his evidence now.

Major C. B. TOPP recalled.

WITNESS: I think sir, that I practically concluded my evidence when I was last before the Committee. I have, however, the recommendations of the Ralston Commission and I am prepared, if required, to give illustrations of the classes of cases which are referred to in the Ralston Commission report as being outside the jurisdiction of the Federal Appeal Board under present legislation.

By the Chairman:

Q. Would you please do that?—A. I might, however, read the reference of the Ralston Commission to appeals that is contained on pages 49 and 50 of the Interim Report submitted in May of this year.

"The question as to what cases should be heard by the Federal Appeal Tribunal was reported on by a Select Committee of the Senate. As appears, the question discussed was whether there should be appeals on both 'entitlement,' (right to pension) and 'rating' (amount of pension) or whether the appeals should be confined to 'entitlement' alone. The recommendation of the Committee favoured the latter course,—

"Entitlement includes not only the question as to the connection of the disability with service, but also the question as to whether the applicant is within the class of persons for whom the Act provides.

"The Section before quoted is much narrower than the recommendation of the Committee. The Section only permits appeals on one element of entitlement, viz., the connection of the disability with service.

"The jurisdiction of the Federal Appeal Board thus limited, excludes not only all review in respect of assessment, but it also prevents appeals such as those of widows, widowed mothers and parents refused under the provisions of Section 34 (1) and (3), children under Section 24 (1) and (2), and the soldier himself under Sections 12 and 13.

"This is referred to in view of the possibility that, in specifying the cases to be dealt with by the Federal Appeal Board, it was assumed that decision as to attributability included all questions of entitlement and to ensure that it is not overlooked that there are many grounds on which pension may be refused, even though the disability or death was connected with service. As the Act stands now, if a pension is refused on any of these other grounds there is no appeal."

That point came up the other day sir, in connection with questions as to the number of appeals outside the jurisdiction of the Federal Appeal Board, which had come to our notice. It was then pointed out that while no considerable number of such cases had been referred to the Board, we were at the same time informed that official Soldiers' Advisers all over the country were receiving a number of such cases and were rejecting them, not sending them on, simply because they were quite aware that the Act did not permit an appeal.

By Mr. Carroll:

Q. Do you not think that they should send them on and let the Appeal Board ascertain whether there should be an appeal, rather than decide the matter themselves?—A. I think that in most cases it is very clear that the Statute does not cover the cases, and that the Soldiers' Advisers are quite competent to advise the soldier as to the effect. I may refer first to Section 12 of the Pension Act, subsection 1. (Reads).

"A pension shall not be awarded when the death or disability of the member of the forces was due to improper conduct as herein defined, provided that the Commission may when the applicant is in a dependent condition, award such pension as it deems fit in the circumstances."

In a certain number of cases where a man's disability or death is found to be the result of improper conduct, the question of whether or not a pension shall be awarded is under that Section subject to the discretion of the Board of Pension Commissioners. A certain number of such cases have been referred to the Federal Appeal Board, and as stated at the last session, I think, the Department of Justice expressed an opinion that the Federal Appeal Board did not have jurisdiction to decide upon such cases. That is just one type of the cases referred to by the Ralston Commission as not being covered by the Appeal legislation. A certain amount of difficulty has occurred in explaining particularly to dependents that an appeal may not be heard in these cases. Naturally, it is a very difficult matter to tell a man's widow that her husband died from improper conduct, and as a rule, the letters sent out by the Board of Pension Commissioners advising those decisions are written in this way: "You are not entitled to pension under the provisions of the Pension Act for the reason that your husband's death was not attributable to service." I would not be prepared to say that such a letter goes out in every case, but I do know that such a letter does often go out and then if that woman appeals to the Federal Appeal Board she may read the section herself wherein the word "attributable" occurs. It is a very difficult matter to explain to her why we have not jurisdiction to hear that case. As a matter of fact, the policy of the Board has been to proceed and hear appeals in a number of such cases. The point was referred to by Commissioner Reilly in his evidence a few days ago.

By the Chairman:

Q. Do you say that the Board heard cases where the Board knew they had no jurisdiction, in cases where they had no jurisdiction?—A. I beg your pardon?

Q. Do you say that the Board heard cases where the Board knew that they had no jurisdiction? For instance, a case under Section 12 where they knew they had no jurisdiction? Would they hear cases of this kind.—A. The opinion of the Federal Appeal Board is that they have jurisdiction to hear appeals in such cases, to hear appeals that come under Section 12. The point is illustrated, in the case of Smith, referred to in Commissioner Reilly's evidence.

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By Mr. Carroll:

Q. You take the ground that when the Commission is given discretion dealing with these things, you consider whether they use their discretion properly?—A. That is set out in this particular class of cases. My understanding of the point is that the Federal Appeal Board is of opinion that it has jurisdiction to hear an appeal in a case where the decision of the Board of Pension Commissioners is that the death of the soldier was due to misconduct, improper conduct, that there is a question of attributability and that the appeal may properly be heard by the Board.

By Mr. Caldwell:

Q. Would it be more proper to say that the Board of Pension Commissioners decide that the applicant is not entitled to pension because his disability is not due to war service, and therefore the Appeal Board has jurisdiction?—A. They say the death was not due to service.

Q. On that ground the Appeal Board has jurisdiction under the Act?—A. That is the view of the Board, as I understand it. The Chairman of the Board is present and can be asked about that point. That is my understanding.

By Mr. Arthurs:

Q. Do I understand you that the decision of the Justice Department is that that part of Section 12, Clause 1, which gives the Commission power under subsection that pension to dependents is inoperative, according to the decision of the Justice Department?—A. You have in mind the second subsection of Section 12.

Q. Section 1.—A. Section 1, in the opinion of the Department of Justice, vests in the Board of Pension Commissioners, as I understand it, sole jurisdiction where the disability or death is due to improper conduct.

Q. There can be no appeal?—A. And that there is no appeal. That is the opinion of the Justice Department. That apparently is accepted by the Royal Commission inasmuch as Section 12 is mentioned in its report to cover one class of cases in which there is no appeal.

By Mr. Black:

Q. Where there is a conflict of evidence as to what the death was due to, surely there is an appeal from the Board of Pension Commissioners in that case. If it is agreed and not disputed that the death was not due to war service, then you may not have any appeal, but where that fact is disputed do you mean to say the Act does not allow an appeal?—A. As I understand it, the stand of the Board of Pension Commissioners is that in any case where a disease or injury is admitted as having been incurred on service there is no appeal to the Federal Appeal Board. For example, in the case of improper conduct the infection, the venereal infection, may fairly show on the documents as having been incurred on service and is admitted as having been incurred on service by the Board of Pension Commissioners, the decision as to pension having been given under the discretionary power vested in the B.P.C. under Section 12.

By Mr. Carroll:

Q. Referring to Section 12 again, chapter 43:

“A pension shall not be awarded when the death or disability of the member of the forces was due to improper conduct as herein defined; provided that the Commission may, when the applicant is in a dependent condition, award such pension as it deems fit in the circumstances.”

Would not the reading of that, to a layman, preclude the idea of an appeal?—A. I would not care to express an opinion personally on the subject, Mr.

Caroll. I can simply state that the Justice Department is of opinion that it does exclude any right of appeal. I might mention an example of such a case, of which I have a record here. The case was that of No. 76201 Arthur Hazelreed. This man, while on leave in England, fell on a railway track and a train passed over his left leg, crushing it just below the knee. The left leg was amputated above the knee the next day. The police report of the accident shows that the man was under the influence of drink at the time of the accident. It has been ruled that this case does not come within the jurisdiction of the Federal Appeal Board, as pension was refused on the ground that the disability is the result of improper conduct. This is the case of a man who was on sick leave in England. He fell under a train and lost his leg as a result. Unquestionably that accident was incurred while the man was on service, but as the record shows that the man was drunk at the time, he is pensionable only in the discretion of the Board of Pension Commissioners. The discretion in this case has not been exercised and the case went to the Justice Department and according to the assumption of the Ralston Commission, is not appealable.

Q. Suppose we assume, however—perhaps evidence may be found to contradict the idea of drunkenness of this man. Would that be a question for reconsideration by the Pension Commissioner or would it be appealed?—A. That would be a case for reconsideration for the B.P.C. and pension would undoubtedly be awarded.

Q. If such evidence was forthcoming?—A. Yes, if such evidence were forthcoming. That, of course, is a somewhat exceptional case. The majority of these cases are cases where the disability is due to venereal disease. It illustrates the point, however. The next section mentioned by the Ralston report is Section 34 (1) of the Pension Act. That section reads:

“A parent or any person in the place of a parent with respect of a member of the Forces who has died shall be entitled to a pension when such member of the forces left no child, widow or divorced wife who is entitled to a pension, and when such parent or person is in a dependent condition and was, at the time of the death of such member of the forces, wholly or to a substantial extent, maintained by him.”

That is a class of case, sir, which is clearly outside the jurisdiction of the Federal Appeal Board at the present time. An example of this is: an application for pension is made by the father of the soldier but was refused by the B.P.C. under Section 34 (1) of the Pension Act and in the opinion of the B.P.C. there was no intention on the part of the deceased soldier to assist his father and no dependency was shown.

By Mr. Caldwell:

Q. No dependency was shown, you say?—A. This is the question of dependency.

Q. Let us understand that: dependence on the soldier, or was he in a dependent condition?—A. He may have been in a dependent condition, I do not know, but the point here is that dependency of the father upon the soldier was not shown. It was not shown that the soldier would, had he survived, have supported his father. It is purely a question of fact as to whether the soldier would have contributed to his father's support or not. There were few of these cases came up.

Q. How is that fact determined in all cases?—A. I beg your pardon.

Q. How is that fact determined in all cases?—A. It is determined by an investigation conducted by the Board of Pension Commissioners or the Department of S.C.R. on behalf of the Pension Commissioners.

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Q. For instance, we will take an only son, who was just out of school possibly, when the war broke out, never had been in position to contribute to the parents' support but would, under all the laws of nature, being an only child, the only one, as the parents got old, have naturally done, although he never contributed to the support previous to enlistment.—A. I would feel it is not altogether within my competence to say what consideration the Board of Pension Commissioners take into account in these cases. I just want to illustrate in the case the class of cases which are referred to by the Ralston Commission being outside our jurisdiction.

By Mr. Shaw:

Q. You have no objection to offer the interpretation of this section by the Board of Pension Commissioners?—A. Absolutely not, not by any means. I do not know, sir, that there is much to be gained by proceeding further than this except that there are certain sections in the Pension Act under which questions of pension are decided by the Board of Pension Commissioners.

The CHAIRMAN: I think in so far as the jurisdiction of the Federal Appeal Board is concerned that we are all fixed on that. We know pretty well what jurisdiction has been attributed to it now. The question is to bring in whatever amendments we might decide. Therefore you are through on that point. If you have anything else you might proceed.

WITNESS: I have nothing else whatever.

By Mr. Carroll:

Q. In your opinion do you think that the right of appeal from the decisions of the Board of Pension Commissioners is too limited?—A. I did not get that question.

Q. Do you think that the right of appeal, in your opinion, from the decisions of the Board of Pension Commissioners is too limited under the Act or on the recommendations.

Mr. SHAW: That is an unfair question to ask a witness.

The CHAIRMAN: That is a matter of policy. The witness may answer if he chooses but I would not answer if I were he.

Mr. CALDWELL: He is here to give evidence and to give his opinions as to whether or not we should make amendments to the Act.

The CHAIRMAN: It is a matter of policy.

Mr. CALDWELL: I think the witness's function is to show us if there is any part of this act that is not clear.

The CHAIRMAN: In my opinion this would be like asking the Chairman of the Board of Pension Commissioners, "Do you think that the full pension should be \$1,000 instead of \$900."

Mr. CARROLL: It is a different proposition altogether. This gentleman is here either criticising adversely or otherwise the right of the Appeal Board and the stand which the Pension Commission has taken on certain matters of appeal.

Mr. SHAW: I suggest, Mr. Chairman, that that is not the purpose at all, but if that were his purpose he would be in an entirely false position. He is here for the purpose of enlightening us as to what the jurisdiction is.

Mr. CARROLL: If he is here to enlighten us on the question of jurisdiction, is it not fair to ask him if he thinks the jurisdiction of the Appeal Board is sufficiently wide. That is for us to determine, is it?

[Major Topp.]

Mr. SHAW: Yes, from the Board of Pension Commissioners and from the Federal Appeal Board themselves, but it does not seem to me you can ask the witness that.

Mr. HUMPHREY: I do not see much difference between personal opinions and suggestions.

WITNESS: I might point out that Commissioner Reilly who was, at the time, Acting Chairman of the Board, stated in his evidence the other day that in his opinion the present legislation is working out very satisfactory on the whole.

Mr. ARTHURS: You mean for the Board or the soldier.—(No answer).

The CHAIRMAN: In the absence of the Chairman of the Board, Colonel Belton, we heard Mr. Reilly, the Acting Chairman. Is it the desire of the Committee that the Chairman should be heard? Of course, it will be understood that everything that Commissioner Reilly said will not be repeated over again by the Chairman. But I think on the other hand I should like to ask the Chairman if he has any recommendations to place before the Committee.

Witness discharged.

Colonel C. W. BELTON, called, sworn and examined.

By the Chairman:

Q. You are Chairman of the Federal Appeal Board?—A. Yes.

Q. I suppose you read the evidence given by the Acting Chairman?—A. Unfortunately, sir, I have not done so. I am pretty familiar with what it is, but I have not read the evidence.

Q. We have examined the Acting Chairman pretty exhaustively. If you have any recommendations of your own which you should like to place before the Committee, we would like to hear them.—A. There was a point in Major Topp's evidence that I desire to clear up, and that was with regard to improper conduct. The point is this: The Board of Pension Commissioners say, "This condition was due to improper conduct." The appellant says it was not due to improper conduct. That is the question to be decided. If it were admitted it were due to improper conduct, it was settled, but he says it was attributable to service and not to improper conduct. The position this Board has taken is that such case is a case of attributability and therefore to be heard by the Appeal Board.

By Mr. Arthurs:

Q. Is that position sustained by the Justice Department?—A. I think Commissioner Reilly has dealt with that matter, has he not. I could not repeat offhand the question that was put up to the Department of Justice.

Q. It has been suggested that in cases of that kind that were decided by the Board of Pension Commissioners, the Justice Department has decided that no appeal was allowed?—A. Yes.

Q. Is that correct?—A. I think that is correct. They have so stated.

By Mr. Caldwell:

Q. If it is not admitted disability is due to improper conduct, I understand the policy was that they decided there was an appeal, because there was a dispute as to whether it was due to improper conduct or not.—A. Yes.

By Mr. Arthurs:

Q. If there is a dispute is there any question as to the power or the right of appeal or has the Justice Department decided that when the Pension Commissioners decide, it is absolute?—A. We have considered their opinion as

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absolute as far as they are concerned, such a case having been said to be due to improper conduct, by the Board of Pension Commissioners, is not one for appeal to this body.

Q. Although the appeal may show it was so attributable?—A. That is as I understand it, but I might say we have continued to hear such cases.

By Mr. Carroll:

Q. Was your finding against the finding of the Board of Pension Commissioners in that case?—A. Yes, in one or two cases.

Q. Were the applicants in such cases awarded pensions?—A. No, they have not received pension.

By Mr. Black:

Q. Have you had such an opinion in writing from the Department of Justice?—A. It is a letter from the Justice Department in regard to that. Has it not been read?

Q. Before you read the finding of the Justice Department what question was submitted to them.

Mr. CALDWELL: A great deal depends on the question submitted.

WITNESS: The letter from the Federal Appeal Board in relation to this matter is not on file but the letter in reply re-states the questions. The letter reads:

OTTAWA, 28th April, 1924.

SIR,—Referring to your letter of 14th ultimo., stating that an appeal has been brought to the Federal Appeal Board by an ex-member of the forces from a decision of the Board of Pension Commissioners to the effect that the loss of the man's leg, which was the ground of the application, occurred while he was drunk, and that he was not pensionable, you put two questions:—

1. Is it proper that the Federal Appeal Board should hear an appeal in such a case

2. If the appeal is heard and the Board comes to the conclusion that the loss of leg was not attributable to misconduct, would the Board be justified in declaring that the disability was incurred on service and was not caused by the misconduct of the appellant?

I would answer the first question in the negative, and therefore it is not necessary to answer the second.

The Federal Appeal Board, I may say, has only a limited jurisdiction which is defined by Section 11 (1) of 1923, which you quote, and this does not extend to cases like the present in which the Board of Pension Commissioners refuses the application upon the ground that the injury is due to improper conduct.

As I understand this case the decision of the Board of Pension Commissioners was that although the injury occurred during military service it was due to improper conduct as defined by the Act, and therefore not pensionable by the express negation of Section 12. In such a case there is no appeal provided for and the Appeal Board is consequently without jurisdiction.

I have the honour to be, Sir,

Your obedient servant,

E. L. NEWCOMBE,

Deputy Minister of Justice.

The Secretary,
Federal Appeal Board,
Ottawa."

[Colonel Belton.]

By Mr. Carroll:

Q. Do you not think Mr. Newcombe is wrong in the premises when he says there is no pension awardable if there is a case of misconduct?

The CHAIRMAN: Do you want the witness to give his opinion as to Mr. Newcombe's opinion?

Mr. CARROLL: I think that is a proper question because according to Section 12 of the Act it is pensionable in the discretion of the Board of Pension Commissioners. I do not mind criticizing Mr. Newcombe, if I think he is wrong.

The CHAIRMAN: I have not the least objection if the witness is willing to answer.

WITNESS: I might tell you frankly the grounds we have taken: It is the business of this Federal Appeal Board to interpret the Act and not that of the Department of Justice. This Board was nominated by the Minister of Justice to do certain things for the Justice Department.

By Mr. Carroll:

Q. Is it not a fact that in that letter Mr. Newcombe says that misconduct cases are not pensionable?—A. Yes.

Q. If you read Section 12, do you not think he is wrong in his premises, or on the premises on which he bases his decision?

The CHAIRMAN: They are not pensionable.

By Mr. Carroll:

Q. In the discretion of the Board of Pension Commissioners?—A. That is what I read.

The CHAIRMAN: If I may be permitted, Section 12 sets the general rule. It says "a pension shall not be awarded when the death or disability of the member of the forces was due to improper conduct as herein defined."

Mr. CALDWELL: Except—

The CHAIRMAN: Then comes the exceptions. Section 12 declares that there is no pension in case of improper conduct except in such cases as are defined.

Mr. CARROLL: It says "provided that the Commission may, when the applicant is in a dependent condition, award such pension as it deems fit in the circumstances." They have a discretion in certain cases of misconduct that in the estimation of the Board of Pension Commissioners may be pensionable.

The CHAIRMAN: "When the applicant is in a dependent condition," then they have discretion, or else "the provision of this Section shall not apply when the death of the member of the forces concerned has occurred on service" or "prior to the coming into force of the Pension Act." We must take these into consideration also, but this is not a general rule.

Mr. CARROLL: I am not talking about a general rule; what I am saying is that the Board of Pension Commissioners has discretions to award such a person a pension.

The CHAIRMAN: When the applicant is in a dependent condition.

Mr. CARROLL: Then I say that the gentleman who wrote that decision did not take into consideration the whole section, and the terms on which he based his judgment are in my estimation wrong.

Mr. BLACK: Apart from that phase of Section 12 all together, there may be no appeal if it is admitted that death was due to improper conduct. That is

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the crux of the whole question, was it or was it not? If the applicant admits that it was due to improper conduct, but where he denies that there is a right of appeal.

Mr. ARTHURS: And the Appeal Board so found.

The CHAIRMAN: At present the Appeal Board has no jurisdiction to decide whether it is or is not due to improper conduct. If it is the opinion of the Committee that they should have jurisdiction to say whether or not it is due to improper conduct, the law should be amended accordingly.

Mr. ARTHURS: I think we might settle that in a moment. The opinion of the Chairman of the Board is that it should be.

WITNESS: I am going to take the position of the other witnesses; I am not here to suggest a policy. But I do think that the matter should be cleared up and made plain so that there should be no division of opinion between the various departments.

The CHAIRMAN: Does any member of the Committee desire to ask further questions of Colonel Belton?

By Mr. Carroll:

Q. Have you any recommendations to make as a member of the Appeal Board as to any changes that you think desirable as regards the functions of the Appeal Board?—A. My recommendations are confined to clearing up those points where there are difficulties between the Departments.

Q. Section 12 contains one of the difficulties. Are there any other sections that you think should be cleared up by legislation?—A. I think that has been gone over. There is the matter of aggravation, that is one that should be cleared up.

The CHAIRMAN: It has been fully explained by Mr. Reilly.

Witness retired.

The CHAIRMAN: I would ask that Dr. Kee be called.

Dr. R. J. KEE called and sworn.

The CHAIRMAN: I would ask Dr. Kee to give his evidence regarding the tubercular cases. The Ralston Commission report contains recommendations and an exposee of these cases; therefore, would you kindly make a statement as to those cases?

Mr. SHAW: May we know his official position?

By the Chairman:

Q. What is your official position?—A. Assistant Chief Medical Adviser to the Board of Pension Commissioners. I do not know just what recommendations you want me to pass any remarks on; if you care to ask some specific questions I will be glad to answer them.

Q. Would you inform the Committee how tubercular cases are at present treated?—A. With regard to pension?

Q. Both pension and medical treatment?—A. Well, first, the applicant if he has tuberculosis following service, shortly following service, there is very little trouble in deciding entitlement. But at this late date, we have a great deal of difficulty in deciding entitlement in a great many of those cases. If the case is very difficult, the applicant probably sends in a certificate from his country doctor, or his local doctor, whoever it is, to the effect that he is suffering from some lung condition, or tuberculosis. He is then generally admitted

[Dr. Kee.]

to hospital by the Department to decide his exact condition, and he is admitted to a sanitarium where we have the leading chest specialists in Canada. These men keep him under observation, and pass on his chest condition, and they classify him according to a scale which has been agreed on at a conference of all the tubercular experts of Canada. This classification then goes on to the Board of Pension Commissioners with the opinion of the tubercular experts as to the relation of the condition to service. The medical officers who are dealing with tuberculosis at the head office—there are three of them—one of them takes the case and makes a precis of it. That is submitted to me and if it is not clear we hold a meeting and it is sent back to the sanitarium from whence the man came for further explanation. If it is clear it is taken to the Board of Pension Commissioners and read by the secretary, and two of them at least sign with regard to the man's entitlement. That is the detail of deciding entitlement in regard to tuberculosis. Some of these cases that are very difficult, and in which the tuberculosis expert himself will not express a very definite opinion, the Department have made arrangements to send them to Gravenhurst to be kept under observation for an extended time in order that the benefit of Doctor Parfitt may be received as to entitlement. It is only the most difficult cases that are sent to that sanitarium. If a man comes out of hospital he gets 100 per cent for six months, if entitlement is conceded. He is re-examined at the end of six months, or probably examined oftener, in three months. But the three months examination does not affect his pension award. It is merely for the purpose of keeping tab on his condition, for the specialist keeping tab. These cases at each examination are, I may say, in nearly every case without any exception, for the first year and a half, or two years, re-examined by the T.B. expert in the district he comes from, and it is on his report that any entitlement is accepted or denied.

By Mr. Humphrey:

Q. I understood you to state that a man coming out of hospital affected with T.B. would be granted pension for six months?—A. Yes, if he has active tuberculosis, if he is found to have active tuberculosis.

Q. In your experience, you have come in contact with a good many tubercular cases?—A. Yes.

Q. Have you found that it works a hardship on some of them with respect to their cure in limiting the period to six months?—A. We have statistics on that, and I think that of 500 cases drawn we found that ninety some odd per cent had been continued on pension at 100 per cent for two years. Mr. Paton do you remember that?

Mr. PATON: It was just over 90 per cent.

By Mr. Humphrey:

Q. I have been listening to a good deal of the evidence and I have been given to understand that a man's contentment is a great factor, and if he is held down to the short period of six months, is he not more likely to suffer unrest and that that may have a bearing on the question of overcoming his tubercular trouble?—A. I think that is a fair suggestion; that is, there is some anxiety as to when the pension may be cut.

Q. And the anxiety would have a bearing on his health in certain cases?—A. I would say so, yes.

By Mr. Caldwell:

Q. I understood you to say that a man coming out of the sanitarium and found to be suffering from tuberculosis is granted full disability pension, which in all cases is paid for six months?—A. Yes, if entitlement is granted.

[Dr. Kee.]

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Q. If entitlement is not granted, he is not granted pension?—A. Nothing at all.

Q. If a man is granted pension or entitlement, he is entitled to pension for six months?—A. Yes.

Q. I think Dr. Kee will remember the case I have in mind where they granted full pension for tuberculosis to a man who had been in the sanitarium for some months, but who was only paid pension for two months, and then it was cut down to \$5.30 per month?—A. I do not remember the exact details of that case.

Q. That was the Tompkins case. In fact, the pension for the second month only paid after strong protest. It was proposed to cut it off at the end of the first month, but it was paid for the second month after strong protest?—A. What year was that?

Q. 1919.—A. Of course, when we grant pensions we grant them for six months. There is no shorter period of time in which pensions are granted.

By Mr. Carroll:

Q. That is in tubercular cases?—A. Or any case.

By Mr. Caldwell:

Q. This case I know very definitely?—A. I remember the case, but as to the exact details of those two months I am not clear about.

Q. It was paid for two months, in the second month after strong protest, but only for two months.

By Mr. Shaw:

Q. Can you give us an idea of the principles involved in determining entitlement?—A. With regard to tuberculosis?

Q. Yes.—A. At a meeting of the T.B. experts, I think it was in 1921, here in Ottawa in convention, they had this point under discussion, and they came to the conclusion that a fair working rule for the medical profession to assume was that if a man developed signs and symptoms of tuberculosis within one year of the date of his discharge, and that he had reasonable service, and that he had had no acute condition post-discharge to account for it medically, we should say there was entitlement, and recommend entitlement for tuberculosis. That rule was accepted by the Board of Pension Commissioners as a working rule for their medical staff, and it has been in use ever since that time.

Q. Now, suppose that an applicant should petition you now, how is it?—A. He does not necessarily have to petition. If an applicant petitions right now we start in with the same process.

Q. You would examine his medical history?—A. Yes, or if he could produce medical evidence from any medical man within a year, that would be considered evidence.

Q. How did you come to fix a period of one year, doctor? Just as a matter of information.—A. If I remember correctly, it was discussed with all the men from all over Canada in convention and they thought at that time that that time would be a fair rule for the medical men. One man would bring up a great number of cases in which symptoms developed at a certain time, and it was his medical opinion that that had started so many months previous.

Q. It would afford an ample limit, it would be a fairly generous provision?—A. Yes.

Q. How do most of these tubercular cases arise? What was there in the service that caused them?—A. Well, we found that service did accelerate a great many men who probably had tubercular tendencies, and that a great many of them who showed symptoms and signs of other conditions proved later

[Dr. Kee.]

to be tuberculosis. Tuberculosis is a condition that is not very easily diagnosed in a great many cases, and even medical men sometimes make mistakes with respect to diagnosis. After observation and after very careful observation by the expert men, after an exact diagnosis has been arrived at, sometimes they are not sure for months and even years.

Mr. Ross: Put it years.

Mr. HUMPHREY: I did not know that medical men admitted making mistakes.

WITNESS: Unfortunately they do make mistakes like other professions.

By Mr. Carroll:

Q. Did the question of gassing come into this question of developing tuberculosis?—A. Yes, the question of gassing has been considered. The American Society have made report on it, 2,500 cases of gassing. They have taken 2,500 cases and considered them from the point of view of gassing, and the later development of tuberculosis, and while the report finds that in certain cases they have developed tuberculosis after being gassed, the great majority of them have shown no pathological condition. Of course, I think it depends on the nature of the case at the time, and the amount of injury to the lining of the lung tissue.

Q. All the conditions of cold and wet and that kind of thing that the soldier had to go through in France; exposure and that sort of thing—would not these conditions be liable to develop tuberculosis especially in a man of a more or less weak constitution?—A. I would think it would have a great tendency to develop.

Q. It might take a very long while to develop that tuberculosis noticeably?—A. Yes, as I said a minute ago, there might be a number of symptoms and the diagnosis might not be made for some months or years after.

By Mr. Black:

Q. Is it not a fact that tuberculosis is developed sometimes even if a man had not gone to the war?—A. Many of them, I might say, yes; but some of them, no.

By Mr. Shaw:

Q. It would depend upon the conditions under which they lived. Any condition, I take it, that would lower the vitality of the individual would create a very good germination ground for tuberculosis?—A. Yes.

Q. And it might very well be that in the army that condition would exist so that tuberculosis might not develop, but it might similarly exist, as it does exist, in civil life?—A. Quite.

By Mr. Caldwell:

Q. I understood Dr. Kee to say that if an applicant could provide outside medical opinion, or the opinion of any man who had attended him, he would be given consideration by the Board?—A. Yes sir.

Q. We are not here to consider special cases, but I have a case that would illustrate what the Committee want to know in this respect. I would like to refresh Dr. Kee's mind in regard to this case. Here is the letter awarding him pension.

It is dated July 18th, 1919 and it begins as follows:

[Dr. Kee.]

"Mr. JAMES TOMPKINS,
Woodstock, N.B.

SIR,—I have the honour, by direction, to inform you that this office has given full and careful consideration to the proceedings of the Medical Board which examined you prior to your discharge from the Department of Soldiers Civil Re-Establishment and to the other documents and information on your file. It has been decided to recommend that you be awarded a Class 1 pension at the rate of \$600 per annum."

Then it goes on—A. What is the date?

Q. July 18th, 1919. It says "This office has given full and careful consideration to the proceedings of the Medical Board." Now this pension was only voluntarily paid for one month?—A. On discharge, I presume?

Q. No, it was three years after discharge, or something like that?—A. Was the man discharged fit?

Q. No, he was discharged as no longer fit for service. I want to give some of the documents in this case. I knew the doctor in the hospital, the St. John Hospital, Dr. Farris, a very capable man, and I knew the pensioner personally. I knew that his condition was bad, but not being a medical man I did not pretend to know what ailed him. I wrote to Dr. Farris asking him what he thought of this case, and this is his letter dated April 26th, 1920, that is in the following spring.

"T. W. CALDWELL, Esq., M.P.,
Box 242,
House of Commons,
Ottawa.

DEAR SIR,—Driver James B. Tompkins No. 5216, 1st Field Co. C.E. C.E.F., was a patient in this Institution for several months. I believe he had pulmonary Tuberculosis. He went out of here in good condition with the disease quiescent. I examined him again in the Fall of 1919 and thought he was not so well and recommended his return to this Institution. I was surprised to learn that his pension had been cut off and the Pension Board did not believe he had Tuberculosis. He had had Pleurisy and bronchitis before discharge and he had a hemorrhage about a year after his discharge. On March 10th, 1920 he was admitted here again as his wife said he was in a very bad condition. I was unable however, to find any definite tuberculosis this time. His lungs had cleared up and his general condition was fair. I found his heart weak and I believe he has arteriosclerosis. I feel confident that this man had Tuberculosis at the time of his discharge, that he made splendid improvement while in here and that he has taken pretty good care of himself since, but that he is unable to do but a small amount of work apparently due to arteriosclerosis and also to Tuberculosis. He certainly should get more than \$5.30 per month for his pension."

That is what he was cut down to at the end of two months.

Mr. SHAW: The doctor does not say that he had tuberculosis.

Mr. CALDWELL: Oh yes, he does.

Mr. SHAW: He says "I believe he had".

Mr. CALDWELL: The man was granted full pension for tuberculosis.

Mr. SHAW: I was referring to the doctor's letter.

[Dr. Kee.]

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Mr. CALDWELL: I think you will find that there is a very definite statement that he had it, and had done very well in the sanitarium and he got him to go back. Here is a letter from Doctor N. P. Grant.

The CHAIRMAN: Would you tell us what conclusions you want to draw. We would be in a better position to follow you.

Mr. CALDWELL: It is that this policy has not been carried out, that Dr. Kee speaks of, that pension is paid for six months to the tubercular man, where he is granted full pension for tuberculosis.

The CHAIRMAN: You mean as an example you are quoting this case?

Mr. CALDWELL: Yes, the case is still pending. It has been reviewed and has had several ups and downs. I would like to read the letter from Dr. Grant. The Board paid this doctor's bill for attending the patient. (Reads):

"WOODSTOCK, N.B.,
Dec. 28th, 1920.

T. W. CALDWELL, M.P., Esq.,
Florenceville, N. B.

Dear Sir,—

Re J. B. Tompkins No. 5216, 1st Field Co. Canadian Engineers.
C.E.F.

May say for your information that I attended this man first on July 10th, 1916. I believe he was discharged from the Army in June, 1916. The man had at that time a slight hemorrhage from the lungs. I have attended this man ever since, and there is no doubt that this trouble was induced by active service. He was a strong robust man before going to the front, and since that time his health is such that he is unable to earn a livelihood. He has spent several months in a sanatorium, but the trouble is still present. This man without doubt should have been receiving a pension since this trouble started.

(Signed) N. P. GRANT, M.D."

Another point I want to make is that outside opinions are not given very much consideration by the Pension Board, because here is a doctor who claims he had a hemorrhage one month after his discharge and the doctor who attended him for treatment writes this other letter in which he states definitely he is much surprised the man's pension is cut off. Then I have a further letter from Dr. Grant dated March, 3rd, 1922. (Reads):

"N. P. GRANT, M.D.

WOODSTOCK, N.B.,
March 3rd, 22.

T. W. CALDWELL, M.P., Esq.,
Florenceville, N.B.

Dear Sir,—Mr. J. B. Tompkins is ill again, and has had another hemorrhage from the lungs. His condition is certainly unsatisfactory so far as any improvement is concerned.

(Signed) N. P. GRANT, M.D."

He is only getting \$5.30 a month for gunshot wound in his leg, so the policy has not been carried out of continuing the pension for six months.

WITNESS: If you will allow me to explain that, I think I can make it clear. Supposing a man got 100 per cent pension and he was examined shortly after

[Dr. Kee.]

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and it was found that he did not have tuberculosis, that this pension was granted in error, it would be immediately—

Q. This man was not examined before his pension was cut off. It was cut off because they said it was not due to service, notwithstanding these letters and the doctor states that he had attended him even a month after discharging him and he had a slight hemorrhage then, and Dr. Farriss' opinion is that he was very much surprised his pension was cut off.—A. If you have that case—he got a small pension for a gunshot wound in the leg.

Q. It was the knee.—A. But that man was put in the sanatorium and the Board of Pension Commissioners may get a certificate from Dr. Brown or Dr. Smith that the man is in a very serious condition and has a hemorrhage. They do not grant pension on that certificate without first putting the case into the sanatorium and they do accept the opinion of the sanatorium or the tubercular expert at the sanatorium with regard to the man's condition while he is in the sanatorium and they grant pension or refuse it.

Q. Just at that point, Mr. Chairman, Dr. Farriss was the doctor in charge of the sanatorium in which this man had been treated for three months. It was on Dr. Farriss' finding and certificate and recommendation that he was granted a full disability pension.

WITNESS: I have never known of a case for pension being granted on a certificate without having the man examined by the Department's own experts.

By Mr. Caldwell:

Q. I think Dr. Farriss was in the employ of the Department. The Department sent this man to Dr. Farriss' institution for treatment and for supervision, and at the end of three months he was granted full disability pension.—A. If Dr. Farriss was a Department employee then his pension would be granted on his finding.

Q. The Department had sent the man to the sanatorium for treatment and Dr. Farriss was in charge of the sanatorium. I do not know if this sanatorium was under the management of the S.C.R. but the Department sent the man there for treatment and he was granted full disability pension for tuberculosis on his discharge from the sanatorium?—A. I am not sure why that pension was discontinued.

Q. I think I can get you that letter.

The CHAIRMAN: Do you not think that is an ordinary case?

Mr. CALDWELL: An ordinary case?

The CHAIRMAN: As I understand it this man was either pensionable as a tubercular case or he was not. Suppose he was pensioned as a tubercular case for one or two months and at the end of two months the report of the superintendent was that he was not a tubercular case, then they would cut off the pension.

Mr. CALDWELL: It was not cut off on the recommendation of the sanatorium. In fact there is a letter from the superintendent five months later saying he was very much surprised it had been cut off.

The CHAIRMAN: And you want to prove that the Pension Commissioners have made a mistake in that case.

Mr. CALDWELL: They have not followed out the policy that Dr. Kee says they always follow out.

[Dr. Kee.]

By Mr. Caldwell:

Q. Is Dr. Farriss in the employ of the S.C.R.?—A. Probably Mr. Parkinson could tell you that.

Mr. PARKINSON: Dr. Farriss is on the strength of the Department. This pension was cut off on the decision of the Board that it was not either due to service or that he had tuberculosis.

Mr. CALDWELL: They cut it off on the ground that it was not due to service, although here is Dr. Grant's letter saying that for a year or so he treated him for that trouble.

Mr. PARKINSON: Has the man appealed his case to the Appeal Board?

Mr. CALDWELL: He is appealing it now.

Mr. PARKINSON: It will be settled then, I suppose?

Mr. CALDWELL: The Pension Board has not followed the policy outlined by Dr. Kee to-day in every case.

WITNESS: I limit that to pension granted in error for entitlement as against the man. They could cut it off in an hour.

Mr. CALDWELL: Another point I make is that the Pension Board does not give any weight to the opinion of any doctor, although the Board paid for his services, and the doctor has known this man all his life.

The CHAIRMAN: That is a matter of general interest.

Mr. SHAW: I think perhaps if the witness got the file you would probably find that there were other medical opinions indicating that the man was suffering from a disease not due to service at all. I do not know anything about the fact, but it seems the best way would be for the doctor to get the file.

WITNESS: I think I know that file pretty well.

The CHAIRMAN: If any members of the Committee wish to examine this witness or any other witness about particular cases, they should, in my opinion, advise the Chairman, so that the files would be brought up and examined in advance by the officials, and then the question would be asked squarely, "Why did you not grant the pension to that man?" or "Why was the pension discontinued after two months?", and so on. We could get a very definite and clear answer. Otherwise I am afraid we would be losing our time.

Mr. ROSS: Will you grant that Mr. Chairman?

The CHAIRMAN: Surely I will, provided it does not take us too long. We are anxious to amend the law as it should be amended, but if we drag this along too far it might defeat our ends. If you have any particular case, give me the names, the files will be examined by the officials in advance, and in ten minutes you will have the case settled.

Mr. ROSS: Did I understand the statement to be made that Dr. Farriss was in the employ of the S.C.R.?

WITNESS: Mr. Parkinson says he was.

Mr. PARKINSON: He is not actually in the employ of the S.C.R. He is our official representative in St. John; all our cases in that district are sent to that institution. We reimburse the institution if he gives treatment and we use his opinion as our official opinion for presentation before the Board of Pension Commissioners.

Mr. ROSS: You accept him as a specialist?

Mr. PARKINSON: Yes.

[Dr. Kee.]

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Mr. Ross: And his opinion should amount to something?

Mr. PARKINSON: Yes.

Mr. Ross: In this case it has been opposed.

Mr. PARKINSON: That letter of Dr. Farriss states that at that time he had no tuberculosis. As I say it is difficult to argue any case without the full record here.

Mr. Ross: It does not give a definite opinion, but he says, "I believe it is."

Mr. CALDWELL: I would like to read this last paragraph again: "That he made splendid improvement while in here and that he has taken pretty good care of himself since but that he is unable to do but a small amount of work apparently due to arterio sclerosis and also to tuberculosis." It is a very definite statement. "Unable to do but a small amount of work owing to a heart condition and a tubercular condition."

The CHAIRMAN: What is that case?

Mr. CALDWELL: J. B. Tompkins, No. 5216.

The CHAIRMAN: Have you any particular cases, General Ross?

Mr. Ross: Yes.

The CHAIRMAN: Will you give me the names now?

Mr. Ross: I cannot give you the names just now.

The CHAIRMAN: Can you give me the names later on and the case so that the officials will have the files and they will be able to answer you.

Mr. HUMPHREY: Do these cases pertain to the question of not carrying out the policy?

The CHAIRMAN: If any member of the Committee, rightly or wrongly, thinks that the law has not been observed, that injustice has been done, or anything of that kind, then they will be welcome to quote the case, and I would ask the officials to have the file ready and studied out in advance and the answer can be given immediately.

Mr. CALDWELL: May I make this suggestion. I would admit a case like this does not bear on amendments to the Act.

The CHAIRMAN: No.

Mr. CALDWELL: I do not want to delay the work of the Committee. We should get the report in as quickly as possible. It is just possible this Committee should consider amendments to the Act, inasmuch as some cases bear on amendments to the Act. My case does not bear on amendments to the Act. We might take up the amendments to the Act first and consider the others later.

Mr. Ross: There are a great many cases just like this.

Mr. CALDWELL: Do you not think we should consider our amendments first.

Mr. Ross: You may have a case on which you can submit amendments.

Mr. CALDWELL: I do not want to interject this case and delay the work of the Committee.

Mr. Ross: I do not think it is an isolated case at all.

Mr. CALDWELL: I do not either. I would be willing to defer the hearing of it until our amendments to the Act are considered, as far as my case is concerned.

The CHAIRMAN: If the claim is made that there is something wrong in the administration of the Act, then that can be demonstrated through particular

[Dr. Kee.]

cases. For instance, if you quote particular cases where it is proven that the administration of the Act was not properly carried out, that would be a matter for amendment and it is a matter of general interest.

Mr. CALDWELL: If the Act is not being carried out it is a matter of criticism of administration.

The CHAIRMAN: Or recommendations should be made to the Minister or some remedy could be found.

By Mr. Ross:

Q. That is the point. Now, I would like to ask the witness, does the Board consider this one year limit a fixed thing, as defined by the specialists? Do they stick by that absolutely?—A. No, cases have been admitted on which within a year there were very little symptoms, with other conditions.

Q. In other words every case within a year would be without contradiction whatever. That is about all you can take on that?—A. With the limitations of service and no acute condition following post-discharge.

Q. Then you say further that you accept gassing as having some relation to tuberculosis. The Board accepts that?—A. The Board always—if there is an entry of “gassing on service,” the Board gives some weight to that.

Q. As you say a lot would depend on what gas?—A. The amount of gas and the condition found at the time and all that sort of thing.

Q. You would not say mustard gas had as much to do with the injury as chloride?—A. No.

Q. In spite of the fact that any of your officials would say that gassing had no connection with tuberculosis you would not be guided by their opinion as a principle?—A. Not as a principle, no. I think that is a broad statement.

Q. Not all gas brings tuberculosis, but I believe it prepares the way for it. Now, on training, have you any fixed limits in regard to the development of tuberculosis during training?—A. Training on entering the army.

Q. Yes?—A. No.

Q. In other words, if tuberculosis develops within a couple of months or so, you would not rule that man out saying, “here, you must have had tuberculosis before?—A. Yes there is a regulation with regard to that, that is if a man is shown to have had tuberculosis prior to enlistment.

Q. If it had been a tubercular bone that had been scraped and the man had for years been all right, you would accept him, would you, for service?—A. Yes, they have been accepted.

Q. The same thing with glands?—A. Yes.

Q. There is no reason for saying that if tuberculosis develops later he should be excluded from a pension because that had shown some years before?—A. That evidence would be considered evidence of tuberculosis prior to enlistment if the man had tubercular glands or if he had had an operation for tuberculosis of the bone, it would be considered evidence of tuberculosis.

Q. If he had some years of good straight hard work, without any trouble, there is no reason why that man should not be accepted for service?—A. Not a bit.

Q. The same thing in the case of a person who had had symptoms of tuberculosis some years before and was in good health in the intervening time, up to the time of enlistment, you accepted that person for service?—A. Yes, quite.

Q. With the knowledge laid down you accept the responsibility in case of the tuberculosis developing later?—A. Responsibility? I do not know just how?

Q. For pension?—A. Aggravation or total pension or—

Q. It does not matter?—A. We might give him aggravation, yes. If he had been to France he would be pensioned.

[Dr. Kee.]

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Q. What difference does it make getting to France?—A. Well, the Act—

Q. A man might be in France and have a very comfortable position?—A. Yes, that is admitted, but the Act makes provision for these cases, that they get special treatment.

By Mr. Caldwell:

Q. Were there many comfortable positions in France?

Mr. HUMPHREY: A lot of them did not want the war to end.

By Mr. Ross:

Q. My point is that it has been argued that training should immediately begin to harden a person so that he would be, as it were, more immune from an attack of tuberculosis. Of course, I differ, because I think I have had as much to do with training as any person in Canada or outside of Canada. At the beginning training may be exceptionally hard?—A. Yes, quite right.

Q. And the disability developed itself, and I think the Government is responsible for what would develop in a short time, but in a certain amount of training then we would expect the tissues to be hardened and be more resistant to such attack, but my opinion is—and I speak of this with a good deal of experience, perhaps more than any medical man in this country—for the first month or two that man would be more exposed to attacks than he would be later on, and therefore, the Board ruling out these men after a short service is taking a very unsound position. I agree with the rest of it that symptoms developing point to that disease developing. For instance, I have a man, whose family I attended for a great many years, a man who was never sick a day in his life, and he went into training and he took pneumonia, from which tuberculosis developed. There was a straight history of that right down, but the Board ruled him out of the bounds of a pension. You will agree with that ground, that the first month or two is very difficult on a man. I will admit a man may break down, being at it for the first time. This matter of length of service should not count?—A. Of course, in these cases the Board would grant a full pension if they had a medical opinion on file to show that the man did contract the condition.

Q. Yes, but who could prove that? You could only take it that the man had reported sick two or three times during that time. Would not that be your only ground?—A. Or that he had been in a sanitarium prior to enlistment.

Q. Well, we will just state one case. I know a case very well now, of a man who in training for about four months, a boy that was in the butcher business, where you would say there was no possibility of tuberculosis; he was healthy and strong. The boy never had a day's sickness before, but during those two months of hard training he contracted bronchitis and he got lowered vitality for the first month or so, and you have ruled him out?—A. If you would give us the name of that file we could look it up.

Q. I am going to give it to you. I will give you three or four. I want to get you just towards that attitude that conditions and everything else in regard to service must be considered, and the rule that you have apparently followed was because that a man has developed something during the first month or so on training should not count. I take the opposite opinion.—A. If a man developed something within 24 hours—we have one man who went down and attested and went home; he said he was not feeling well; he went home and never came back and he got a pension. I think it was a chest condition. If it is definitely shown that the man developed anything on service, that is pensionable according to the Act.

Q. If you find something before service you put a block on him.—A. Of course, tuberculosis, as you know, General Ross and all such tedious and slow developing diseases, in a great many cases—

Q. I am glad you admit that.—A. They tell you that most of us had tuberculosis or have had it at adolescence.

Q. Seventy per cent according to your advisers. They say it is pretty hard to escape it.—A. If a man goes into the army and he is in the army a short time and we examine his chest or our expert examines his chest and says, the man that examined him can say that the day he went into the army he was actively tubercular, that case cannot get pension.

Q. If you would only treat those cases as you treat them in your private practice I would be perfectly satisfied. There are cases where a man may smash down, especially in the first or second month of training. I would be quite satisfied. There is one other point I want to take up. I am very strong on this in regard to the clause in there where, under a technicality, you refuse the responsibility for treatment of cases in your hospitals outside of the particular infection or disease?—A. That there is no entitlement in respect to that condition.

Q. Yes, do you think that is a manly stand for your Board to take?—A. That, of course, is a question of policy for the Government.

Q. They take your recommendation?

By the Chairman:

Q. Do you know under what section that would fall?

Mr. Ross: That was under your regulations?—A. That would come under the Pension Act, that we cannot pension anything that has not occurred on or was aggravated during service.

Q. You know why I am differing from you?—A. I know a particular case. A man goes into a hospital for a certain condition for which entitlement has been granted and while in the hospital he has another condition which has no relation to service and the doctors say, "You should be operated on." He agrees to the operation and probably he dies as a result of the operation or he developed a greater disability as a result of the operation. That responsibility in such cases, to my mind, is only a matter for the Government, as to whether they want to treat these cases in that way. It is not covered under the Act.

Q. The Government will not do anything except under recommendations from the Departments. If your doctors treat that man and say, "Here, this is going to improve your condition", and operate on it, I do not see where you would escape the responsibility.—A. If it has any bearing on his pensionable condition we do accept the responsibility.

The CHAIRMAN: It is Clause 11, Subsection 1. It is the application of that general section. It says so distinctly in this one that was quoted to me.

Mr. CALDWELL: I think it comes under Section 11, subsection 1, chapter 23.

The CHAIRMAN: At all events, General Ross you will—

Mr. Ross: We will keep that in mind.

The CHAIRMAN: When the files are here you will be better satisfied that the answers can be given. Have you any other questions?

Mr. Ross: These are the points I am contending for. They should come up again in our Committee for discussion. I do not want to waste time on it now, but I think I have got the answer.

Witness discharged.

Committee adjourned.

COMMITTEE ROOM 429,

HOUSE OF COMMONS,

MONDAY, June 30, 1924.

The Special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers, met at 11 o'clock a.m., Mr. Jean J. Denis, the Chairman, presiding.

The CHAIRMAN: Since our last meeting, Mr. Robinson, M.P., has received the following telegram from Kentville, Nova Scotia.

"Great War Veterans would like send representative at own expense reference resolutions before Parliamentary Committee. Is there any objection. Wire answer. Urgent.

(Sgd.) B. W. ROSCOE."

This telegram was given to the Minister for answer, and he answered as follows:—

"M. Robinson passed to me your telegram. I may point Veterans are represented by Mr. MacNeil. Your request will however be submitted to P. Committee next sitting for their decision.

(Sgd.) H. S. BELAND."

In addition to the Minister's wire, I sent the following telegram:—

"B. W. Rosco,
Kentville, N.S.

"Representative of Great War Veterans will be welcome to appear before Parliamentary Committee any time not later than July second, eleven a.m.

(Sgd.) JEAN J. DENIS,
Chairman of Committee."

I understand that we will not be able to take evidence after next Wednesday, and that is why I fixed Wednesday as the time for these gentlemen to appear before the Committee. At the last meeting, first Mr. Caldwell, and then General Ross put questions to Dr. Kee—

Mr. SHAW: Before you leave that subject of calling witnesses, I understand from Mr. MacNeil that there were some representatives from the West coming here. These representatives will undoubtedly be heard, I take it. How did the date come to be fixed for July 2nd?

The CHAIRMAN: Because I took it for granted that if we are to make any report to the House and get any action on it, we should stop taking evidence not later than July 2nd. However, I am in the hands of the Committee, and if the Committee desire to take evidence until the close of the session, it is for the Committee to say.

Mr. MACNEIL: I expect that the Western representatives will be here tomorrow, and we will confer and make some arrangement.

The CHAIRMAN: If they came here on Thursday they would not be shut out. Now, Mr. Caldwell and General Ross asked questions of Dr. Kee while he was giving his evidence regarding particular special cases, and it seemed to me that if they wanted to ask questions regarding these special cases it would be preferable to have the files concerning them here. We have the files here, now, and I would like to give these gentlemen an opportunity of asking questions

regarding them if they choose to do so. On the other hand, after thinking the matter over, I feel convinced that the threshing out of any particular cases will not take us anywhere, so far as legislation is concerned. Therefore, I would like these gentlemen to try to keep their questions to the point as much as possible so that we will not lose time in threshing them out now. In the past, particular cases have been brought before sub-committees, but I do not know whether any results have been achieved even through that method. My reason for asking that these files be brought here was to see if anything could be discovered in them which would go to show that in a general way or in some particular way the officials of the Department were not carrying out the Act as they should. That would be a matter of general importance. That is the reason why these files have been brought here now. I will ask Mr. Caldwell if he would like to proceed with his questions regarding the Tompkins case mentioned at the last sitting.

Mr. CALDWELL: The questions I asked at the last sitting were not with a view to recommending any amendments to the Act. They were merely to demonstrate the fact that in regard to the point which Dr. Kee was making the other day, that tubercular men were always given a six-months' pension, this practice was not always followed. In view of the fact that consideration of the Tompkins' case would not bear on any amendments to the Act, but rather on the administration of the Act, I do not think it would be wise to take up the time of the Committee at present. I think we should consider the phases referring to amendments to the Act now, and later, if possible, after our amendments have been prepared, or our report has been prepared, I would like to take up this other phase of it. My questions had not in view amendments of the Act to cover the point; they had reference rather to the administration of the Act already on the Statute books. I would be glad to take this matter up later, but I feel I would not be justified in delaying the report of the Committee by bringing it up at the present time. I think, Mr. Chairman, you will agree that this is the wise course to follow because we have delayed too long already in getting our report ready. I think we should just consider the things relating to amendments to the Act, and we could take this matter up in the Committee after the amendments have been licked into shape, if necessary.

The CHAIRMAN: The case of Peter Duckett is also here.

Mr. ROSS: I think Mr. Caldwell's suggestion is a good one. If we keep the files we could consider them later so that they will not interfere with any proposed amendments to the Act.

The CHAIRMAN: I am thankful to you for that suggestion. My personal opinion is that it is more urgent now to proceed with the general evidence to enable us to prepare our amendments than to look into individual cases.

Mr. ROSS: I am quite satisfied so long as we have a good talk over these cases.

Mr. CALDWELL: We should only take evidence now that bears on proposed amendments to the Act, and endeavour to get our report before the House, because we have not only to get legislation through the House, but through the Senate as well. Last year, the Senate found fault because our proposed legislation came to them so late that they did not have sufficient time to consider it, and we may find ourselves in the same position this year, if we do not watch out. Therefore, I think we should only take evidence relating to proposed amendments.

The CHAIRMAN: These cases will be looked into before a sub-committee. I will now ask Dr. Kee to conclude his evidence, placing before the Committee only such facts as in his opinion are of a nature to suggest amendments to the law as it is at present in existence.

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Dr. R. J. KEE recalled.

WITNESS: Mr. Chairman, I understand that the Chairman of the Board of Pension Commissioners took up the procedure, and you have on record his opinion as to what amendments to this Act will mean from a pension standpoint. If the Committee would take up the notations to these recommendations, I would try to answer any questions. But I do not think it would be well for me to start in to rehearse what the Chairman has already gone over.

The CHAIRMAN: You are satisfied with what has been said, and you do not care to go further?

WITNESS: Unless some of the members would care to ask me questions with regard to those amendments.

The CHAIRMAN: If any members of the Committee would like to ask Dr. Kee questions he would be glad to answer them.

Witness retired.

The CHAIRMAN: Mr. Paton has some documents to place before the Committee with reference to the Federal Appeal Board, which were mentioned by Commissioner Reilly the other day, so he will place these before the Committee now.

Mr. J. A. PATON called and sworn.

The WITNESS: Mr. Chairman, there were several cases mentioned by Commissioner Reilly in his evidence illustrating what amendments he thought necessary to be made to the procedure of the Federal Appeal Board. One of those cases which was mentioned was that of Percy Rollins. You will remember that that man had a disability resulting from an attack of acute anterior poliomyelitis. The Board of Pension Commissioners refused pension for this because it was not relating to his military service. The judgment of the Federal Appeal Board allowed a pension for a disability but refused to state that such disability arose from an attack of acute anterior poliomyelitis and refused to give pension for injury or disease, which had been contracted during service, to account for that disability. I would like to read a memorandum addressed to the Honourable Minister, dated May 20th, 1924.

By Mr. Carroll:

Q. From whom?—A. From the Board of Pension Commissioners. (Reads):

“BPC 202633

MAY 20th, 1924.

Memorandum To—

The Honourable the Minister,
Department of Soldiers' Civil Re-establishment,
Ottawa, Canada.

No. 916644 Pte. Percy Rollins.

In reply to your memorandum of the 15th instant regarding the marginally noted, it is admitted by the Federal Appeal Board that it is not one of its functions to determine diagnoses nor to correct or alter diagnoses but simply to determine attributability or non attributability.

The diagnosis of this man's disease as accepted by the B.P.C. was that of acute anterior poliomyelitis and with this it is noted that the medical member sitting on the quorum appeal agrees.

As a matter of principle in all cases and in order that entitlement to pension under the various sections of the Pension Act may be decided, it is necessary for the B.P.C. to know the nature of the injury or disease

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resulting in disability. If, therefore, the Federal Appeal Board will state that the decision of the B.P.C. is reversed and set aside and that the condition of anterior poliomyelitis (resulting in disability) in respect to which the B.P.C. has refused pension was incurred on service the B.P.C. will immediately give effect thereto.

"The fact that a man saw service in the theatre of actual war is not of itself sufficient for a purpose of deciding entitlement. The injury or disease may have been incurred on service in France and yet the resulting disability not pensionable under the provisions of the Pension Act. The diagnosis of the disease or the cause of the injury resulting in disability is, therefore, essential in all cases before entitlement can be decided and the pensionable disability correctly assessed.

J. PATON,
Secretary."

In connection with this case the Board of Pension Commissioners received a judgment from one member of the Federal Appeal Board, who dissented from the quorum. I would like to read that judgment, dated April 4th, addressed to the Board of Pension Commissioners: (Reads):

"FEDERAL APPEAL BOARD,
OTTAWA, April 4, 1924.

The Secretary,
Board of Pension Commissioners,
Daly Building,
Ottawa, Ontario.

Re No. 916644, Percy Rollins.

Sir,—I beg to advise that I dissent from the findings of the quorum of the Federal Appeal Board in the case of the marginally noted heard at London on the 29th day of February, 1924.

"The disability, in my opinion, is undoubtedly the result of acute poliomyelitis which developed after discharge and therefore not incurred on nor aggravated during service.

Yours truly,
(Sgd.) B. L. WICKWARE,
Commissioner."

By Mr. Carroll:

Q. Have you got the judgment of the majority?—A. It has been read. I have not got it with me. It has been read already.

Q. I think, in order that we should get a correct understanding of any of the documents, you should give us the judgment of the majority of the Appeal Board?—A. It is in the evidence taken before the Committee.

Q. Is it in the evidence?—A. Yes.

Q. It has been read?—A. Yes.

By Mr. Caldwell:

Q. In order to get the bearing of this, I would like to know what is the object of putting this minority report on the records. How are decisions arrived at by the Appeal Board and how are decisions arrived at by the Pension Board? Is it necessary that the Pension Board be unanimous to grant a pension or that the Appeal Board be unanimous to grant an appeal?—A. In regard to the Pension Board, two Commissioners will make a decision.

Q. Although the third one might dissent?—A. Although the third one might dissent.

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Q. Has that ever happened?—A. It has.

Q. On various occasions?—A. I cannot remember offhand. I would not say on various occasions, but there are occasions on which it has happened.

Q. Undoubtedly it would be a natural consequence. Therefore, there are reports, bringing in a minority report by one member of the Appeal Board, combating the decision of the Pension Commissioners, by a member of the Appeal Board? I think we will have the Pension Board bringing in a decision, where there has not been a majority of the Pension Board. I do not think it is fair.

The CHAIRMAN: I understand it is only to complete the evidence on that particular case.

By Mr. Caldwell:

Q. How are decisions made by the Appeal Board? By a majority of the Board?—A. Certainly.

By Mr. Robinson:

Q. If the authorities differ on these, how can we come to any conclusion?

By Mr. Caldwell:

Q. How are the decisions arrived at either on the Pension Board or the Appeal Board? Either upon minority or majority report? Does the report of one commissioner carry?

The CHAIRMAN: In all judicial reports, in our province and elsewhere, judgments are recorded by a majority and a minority, so that if any one wishes to know the opinion of the minority they can read it. It is the majority that rules but it is just the same as an opinion, and any one who wishes to know the minority opinion in these cases might read it.

Mr. CARROLL: You would not read a minority report of the Supreme Court of Canada for the purpose of having any effect on a judge or jury.

Mr. SHAW: I think it is important that we should have that minority report. The Board of Pension Commissioners say that the Appeal Board acts without its jurisdiction. The Appeal Board say, "Yes, we have jurisdiction." The Pension Board asked the Appeal Board to give them an indication that this disease was attributable to or aggravated on service, and they have a report from the Federal Appeal Board. There is one member, the only one, who has passed judgment on the matter, as far as I can see. My recollection is that the judgment of the Appeal Board simply reverses the Pension Board and do not give any reason for it. That is my recollection, but I may be wrong. Do you recollect?

WITNESS: That is correct, I think.

Mr. SHAW: That is the only written opinion that was given. That is my recollection.

By Mr. Caldwell:

Q. Was the Pension Board unanimous in deciding this case first?—A. I believe they were. From memory, they were.

Q. Are you positive they were. I would like to have the record of this case come before the Pension Board.—A. To be positive I would have to have the file.

Mr. CALDWELL: I think we had better have that.

The CHAIRMAN: When we have the decision or judgment by both Boards, I think that is all we need.

Mr. CALDWELL: I submit it is all we need but I think we should know whether the Pension Board was unanimous in deciding this case before it went to the Appeal Board. I do not think it should be interjected at all.

The CHAIRMAN: I do not know whether it would be necessary to come back to this again. They have to get that. I do not think it is important.

Mr. CALDWELL: The Pension Board saw fit to come back after a later date, after the evidence was given. Personally I do not think this should be interjected at all.

By the Chairman:

Q. You could send the judgment of your Board, could you not?—A. Yes.

Q. You will send that. That will be on record. The whole thing will be printed in the evidence and you will send the judgment of your Board to be printed?—A. Yes.

By Mr. Ross:

Q. Is it not possible to find out who the members of the Appeal Board were who attended to that?

The CHAIRMAN: You have that here. The judgment is signed by the members and the secretary.

WITNESS: In this case the dissenting judgment was sent in.

Mr. Ross: The reason I ask is that it looks to me as being a medical case and the dissenting voice is one of the medical officers of the Board.

WITNESS: That is the only object in putting it in. It was a medical question and the dissenting man was a medical man. He signed the judgment, but I do not know whether he sat on the quorum.

Mr. CALDWELL: The Appeal Board always have the advice of medical men in considering their cases, have they not? I think the Chairman told us that the other day. They have medical advisers to advise them.

By the Chairman:

Q. When your Board gives a decision, is it shown in the decision who sits to give it?—A. The assenting commissioners initial the decision. The decision may be given in a formal way on what is known as a pink slip.

The CHAIRMAN: Does it appear to members of the Committee that the decisions by the Board of Pension Commissioners as well as the decisions by the Appeal Board should be signed by those who render them or at least signed by those who concur or differ, as is the case in any judgment in our own courts?

Mr. Ross: I see no objection to it.

WITNESS: In that connection might I read the subsection of the Act. (Reads):

“(8) The approval of the Commission to the award of any pension, or the refusal of any pension, shall be evidenced by the personal signature of at least one of the Commissioners.”

By Mr. Ross:

Q. Might I ask one more question? Surely there must be some reason why this did not arise from service?—A. That will be shown on the file.

Q. Can you state that now?—A. Not off-hand.

Mr. CARROLL: I was going to suggest in Subsection 8 of Section 3 of the Pension Act that there is no necessity for the Board of Pension Commissioners to indicate whether they approve or disapprove. There is no legal necessity

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for the three members of the Board to initial in any way to show whether they approve or disapprove.

WITNESS: As a matter of fact, the file will show why the pension is awarded or refused.

By Mr. Carroll:

Q. Do you not think it would be a good thing to have an amendment providing that their amendment should show who was present, who recommended the judgment and who dissented from it. I am talking now of the Appeal Board. Do you not think it would be the proper thing to have an amendment along these lines?—A. I think that would be helpful to the Board if they knew the ground fully.

Mr. KNOX: I think the files show clearly why pension is awarded or refused.

Mr. CALDWELL: The names of the Commissioners who approved it.

Dr. KEE: Where they act as a body, two commissioners sign. The case comes before the Commissioners as a body but we have going through the Board of Pension Commissioners automatically about 150 to 300 awards a day and those are signed by a Pension Commissioner only in any case where there is a judgment asked as to entitlement Three Commissioners sit. At least two of them sign the judgment with their initials. The case first comes to the Medical Advisers and it is appraised and the Medical Adviser signs his name to it. It comes to me; if it is not satisfactory or there is anything wrong with it I call the Committee of Medical Advisers and discuss it. Then if we get it in shape, it is taken to the Commissioners and it is read at least by a body of two, by the Secretary, and these men sign it before it goes out, so in every case where the instructions are that every case of entitlement has not formally been decided must be signed by at least two of the Commissioners.

The CHAIRMAN: While we are on this, I would like to submit this question to the members of the Committee. Is the Committee of opinion that judgments that are rendered both by the Pension Commissioners and the Federal Appeal Board should be explained or qualified in order to show the reasons for such judgment and also be signed by the Commissioners that give the judgments, indicating in each case the names of the Commissioners that have been sitting, those who concur and those who differ?

Mr. CARROLL: As far as I am personally concerned I would say yes, that in every case the Appeal Board should show the reasons for their decision. I think that is very important, because if they show no reasons it comes back to the Board of Pension Commissioners and they do not see the reason. They may render an altogether different decision than they would if they had seen the decision of the members of the Appeal Board and give it further attention. They are a judicial body and judicial bodies give reasons for their judgments in that way.

Mr. SHAW: I do not know that I agree that reasons should be given in every case. The courts do not give reasons in every case.

The CHAIRMAN: In our province they are bound to give reasons for their judgment. If they do not do it they do not obey the law.

Mr. SHAW: In other provinces I do not think they are bound to give reasons. The judgment would simply indicate the name of the case, the members present and would give a short form of judgment, which would only take half a page of typing, signed by the members who agreed with the judgment, and those who do not concur would so express themselves. That is so far as

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the judgment is concerned, but so far as the reasons for judgment is concerned, our courts do not give any reasons. In some cases it would be very apparent. I think in difficult cases certainly their reasons should be given but in any simple case I do not know what the effect would be.

WITNESS: There are 250 awards every day.

Dr. KEE: These would be cases in which entitlement has not been decided, cases in which entitlement have been decided adversely, and some cases of that kind have not been getting a pension. Now, instead of having to come back to us, we consider that a refusal of pension two or three years ago, and we cannot see now why we have to hear that case again. We did refuse him pension. He is entitled to appeal, and that was only signed by one commissioner, so that he is entitled to go to the Appeal Board in a refusal of pension two or three years previously, and there may be 10,000 or 20,000 of those; probably more; probably 30,000.

By the Chairman:

Q. You mean waiting for adjudication?—A. They may have been refused pension.

Q. They have been refused?—A. Yes.

Q. And they are coming back again?—A. They may have the privilege of coming back.

Q. At the present time how many new applications a week or a month do you receive?—A. The Board of Pension Commissioners, as I said—I should think they would average 1,000 or 1,200 a day. They have a meeting every day, except Saturday morning.

Q. How many cases are in arrears awaiting for decision?—A. They are right up with their work.

Q. Right up to date?—A. Yes.

Q. I should imagine that these cases are diminishing now?—A. Yes. Of course, their applications run out on the 1st of September, and they are quite numerous. The time for application runs out so that I should think they would diminish after the 1st of September, 1924.

By Mr. Carroll:

Q. Unless the Act is amended?—A. Unless the Act is amended.

By the Chairman:

Q. Are we to understand that the door will be closed absolutely to all cases after the 1st of September?—A. Not cases in which there is any mention—any documents, or that have at any time made an application for pension.

Q. As to those who have made no application up to that time, the door will be closed to them?—A. Yes, I think so.

Q. Supposing a person has been say—if that is possible in medicine,—gassed, during the war but recovered, apparently so well that in coming back to Canada the man did not feel any ill effects from the gas and he recovered until now, and he will carry on for a year or two, but one year and half afterwards, all of sudden, he falls ill; the doctors discover, if that is possible in medicine, that this man is suffering from some trouble which was caused six or seven or eight years before by the gassing which he suffered, and yet this man has never made any application for pension and he thought he was cured when he returned to Canada, would that man be precluded from asking for a pension under this provision?—A. The mention of gas on his documents would automatically be a claim for pension.

Mr. HUMPHREY: Supposing there was no mention.

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By Mr. Ross:

Q. You put it up to him to go and get his evidence?—A. He would have until August 31st, 1924 to apply for pension.

By Mr. Black (Yukon):

Q. How do you fix that date?—A. It is fixed in the Act.

Q. Section 13?—A. Yes, three years after the declaration of peace would bring it to August 31st, 1924.

By Mr. Carroll:

Q. You do not mean to say that if there is any mention made of gassing in the question asked by the Chairman, that he would have a right in three years to make application for pension?—A. I mean to say that the man's documents are automatically an application for pension, considered as such, in the practice of the Board.

By the Chairman:

Q. Supposing there was a mention that he was gassed, the mention would also say that he was gassed but cured and quite recovered from it?—A. If the disability is the result of gassing, in the opinion of the Board's medical advisers, his claim would be admitted.

Q. Even though the evidence would show that he was gassed and showed no ill effects and he was cured from it overseas?—A. Yes.

Q. Where do you find that?—A. "A pension shall not be awarded unless a claim is made therefor within three years after the Declaration of Peace." The practice of the Board is to consider as an application for pension the entry on the man's medical documents.

By Mr. Carroll:

Q. Where is that law to be found? Is it in the Act?—A. No, it is not in the Act.

By Mr. Black (Yukon):

Q. Therefore there is no legal liability on the Board of Pension Commissioners to heed that application at all?—A. No, there is no legal liability on the part of the Pension Commissioners. For that reason the Ralston Commission has made a recommendation in that respect, that an amendment be made to the Statute.

Q. That is what I am coming at. If that is done it is satisfactory to me.

By Mr. Humphrey:

Q. How about a man being killed on service and his dependents fail to make application for the pension within the limit? When will that application be entertained? How long do they have to entertain that application?—A. Colonel Thompson explained that fully, that unless the claim is made on account of death or in the three years, it would be excluded from the Statute. The clause says, "A pension shall not be awarded unless the application therefor has been made within three years.

(a) after the date of the death in respect of which pension is claimed.

(b) after the date upon which the applicant has fallen into a dependent condition.

(c) after the date upon which the applicant was retired or discharged, or

(d) after the declaration of peace.

Mr. ROBINSON: Under (a) and (b) there is expressly no limit of time?

WITNESS: Three years after the date of the death in respect of which pension is claimed.

By Mr. Robinson:

Q. After the date of the death in respect of which pension is claimed. The person, on account of whose death the pension is claimed, may live an indefinite period and his dependents would have three years after the date of the death to apply?—A. Yes, that is correct.

Q. The same applies to subsection (b).

Mr. CALDWELL: On pages 16 and 17 of their report the Ralston Commission make a recommendation.

WITNESS: That was discussed I think; Col. Thompson went over that in his evidence.

Mr. CALDWELL: I think it was read but not discussed. However, the Royal Commission does make a recommendation in connection with Section 13, that we will deal with later on.

Mr. ROSS: I am strongly of the opinion that reasons should be given. If that were done, I do not think we would have any trouble. It is not like an ordinary court where you have three judges sitting. Here is a court where you have some lawyers and some medical men, and in most cases it is the opinion of the medical men which determines the finding of the Board. Now, if good reasons were set out in all those cases I think you would save a lot of trouble.

Dr. KEE: Our file goes in with the correspondence.

Mr. ROSS: But they cannot make very much out of the files. What you do is, you make a summary of your own, and you will find that it is the summary that goes forward.

The CHAIRMAN: I would ask Mr. Paton if there are any objections to that rule being followed. Are there any serious objections to reasons being given in each judgment? I would not say pages of considerations, but a summary, a clear concise summary giving the reasons why judgment is being rendered in one way or another way. Do you see any objection to that?

WITNESS: Do you mean reasons for pension being awarded as well as for being refused?

The CHAIRMAN: Yes, as well as for being refused.

WITNESS: It would add considerably to the work in some cases, if you had a general rule to apply to all cases. Where entitlement is refused, the Commission has endeavoured to make it perfectly clear why it has been refused.

The CHAIRMAN: Suppose that a man is asking for a pension; the Board of Pension Commissioners examine the file, examine the evidence, and so on. Then the Board of Pension Commissioners could give judgment as follows: "Having examined the file and the evidence, we find that the disability is not attributable to military service" for such and such a reason. This could be written in ten lines, and then the man to whom pension had been refused would know clearly why his pension had been refused, and if he were to carry his case to the Federal Appeal Board, the Federal Appeal Board would know clearly on what ground the decision was rendered, and could then probe into that point and see if the decision was rightly rendered or erroneous.

WITNESS: That is a simple case you mention; applicants are advised just along the lines you have suggested.

The CHAIRMAN: Unless you submit that there are very serious objections to that, I feel inclined to recommend it.

WITNESS: There are no serious objections to it.

Mr. ROSS: There is no objection to it at all.

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WITNESS: In cases where entitlement has not been conceded, we are doing that at the present time, making it perfectly clear on the file. When the file comes to the Board of Pension Commissioners and a decision is rendered, it is clearly stated the ground on which the pension is refused, and very frequently the grounds on which it is awarded are fully gone into.

The CHAIRMAN: In other words, you are doing now what is not called for by the Act?

WITNESS: Yes.

The CHAIRMAN: You are not obliged to do that by the wording of the Act?

WITNESS: No.

The CHAIRMAN: But you have felt it to be so reasonable and just that you are doing that although under the present Act you are not obliged to do it?

WITNESS: Yes, and for future reference.

Mr. HUMPHREY: If it is necessary for cases of entitlement, why should it not be necessary at all times, in reference to assessment as well? If you follow this practice in cases of entitlement, why should not the Board of Pension Commissioners apply it to cases of assessment?

WITNESS: The assessment is made in the examination in the Unit Office of the D.S.C.R. by a medical examiner and is sent to the Board of Pension Commissioners. Then the recommendations are reviewed by the Board's medical officers, and if in order, are passed automatically.

Discussion followed.

Mr. PARKINSON: May I be allowed to say a word? This is a matter of administration, and if you word it in the way you have suggested you are going to cause a great deal more work for no purpose. I mean to say that the judgment of the Board of Pension Commissioners may include an award of pension to dependents of a man who has already been pensioned; a man is given pension because of entitlement later on, and the conditions of his family are investigated and marriage certificates and birth certificates come in. All this is necessary to award pension on account of dependents. That is a judgment of the Board under your wording, and I am afraid it would not be presented to the Board with reasons. It is simply a matter of administration, and does not come before the Board at the present time. The same with regard to assessment. A man is entitled to pension, but later on he comes up for re-examination and an award is made as the result of the re-examination. If you word your ruling as has been suggested, all these things will have to go to the Board which do not go to the Board at present. I simply wanted to bring that to your attention so that you will not make new work for the Board where it is really not required to meet your requirements.

Discussion followed.

WITNESS: In the case of No. 406183, Private Henry Swettenham, referred to in the evidence of Mr. Reilly, the Committee will remember that this was a case where the Board of Pension Commissioners refused pension on account of what was claimed to be chest condition following an accident on service. The Federal Appeal Board awarded pension in respect of disability which he then had, but did not state the origin of that disability. I would like to read a letter dated October 31st, 1923, addressed to the Chairman of the Federal Appeal Board from the Board of Pension Commissioners.

"DEAR SIR,—I am instructed by the Board of Pension Commissioners to acknowledge receipt of the Judgment of your Board in the case of the marginally noted.

"Before giving effect to your findings the B.P.C. desires to be advised as to the nature of the pensionable disability which you consider this

[Mr. J. A. Paton.]

man is suffering from and also whether it was contracted on active service or pre-existed enlistment and was aggravated. This information is necessary in order that the disability may be assessed in accordance with the provisions of the Pension Act.

"Apparently the case was heard by all the members of the Federal Appeal Board and the Judgment given would, on the face of it, appear to have been unanimous. A judgment has, however, been received from Dr. Wickware rendering contrary findings.

"It is observed that the Judgment of your Board in form follows closely that of a court of Law except that no mention is made that there was a dissenting member. In the Judgment delivered by a Court of Law the fact that a member dissents is invariably noted in the body of the Judgment.

"This is not written in a spirit of criticism but the B.P.C. wishes to point out that as a matter of fact the Judgment is incorrect in this respect.

"The B.P.C. desires in all cases heard by the F.A.B. that a perusal of the file at some subsequent date will indicate clearly and accurately all the facts and circumstances."

Then there is a letter to the Secretary of the Federal Appeal Board from the Board of Pension Commissioners dated November 20th, 1923, as follows:

"I am instructed to acknowledge receipt of your communication of the 16th instant regarding the marginally noted in which, in reply to the B.P.C.'s request to be advised of the nature of the disability from which this soldier is suffering, are given extracts from the file in support of your decision that he is suffering from a disability."

"One of the quotations offered is that of Dr. Bond in which he states that he does not see how anyone can deal intelligently with the case 'until we have a definite clinical investigation to determine exactly what is causing loss of weight.'

"A careful clinical investigation was carried out accordingly and as a result thereof a thorough fluoroscopic examination, together with an X-Ray report, was submitted to the Board, which clearly established that there had been no fracture of this man's ribs nor displacement of cartilages, and further, that there were no signs or symptoms of a disease process going on behind his deformity.

"The definition of an applicant's disability and the valuation thereof is, as you have stated, purely the function of the B.P.C. The decision of the B.P.C. was 'that the appellant is not suffering from any disability which is attributable to or which was incurred or aggravated during military service.' As a matter of fact the Medical Advisers to the B.P.C. were not able to identify any disability which could remotely be connected with his chest deformity.

"In order, however, that the information necessary for the purposes of assessment may be at the disposal of the B.P.C. I am again instructed to inquire the nature of the disability in respect of which he claims he was refused pension by the B.P.C., in respect of which he appealed to the Federal Appeal Board and in respect of which his appeal has been allowed."

As the result of that letter there was a "judgment on further directions." I note in the evidence given by Mr. Reilly on page 246, he says:

"In that case we found the man was suffering from debility which might be attributed to neurasthenia. We granted a pension."

[Mr. J. A. Paton.]

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The "judgment on further directions" is as follows:

Mr. CALDWELL: What is this letter?

WITNESS: This is the "judgment on further directions" from the Federal Appeal Board forwarded to the Board of Pension Commissioners.

Mr. BLACK: Does the Board of Pension Commissioners give directions to the Federal Appeal Board?

WITNESS: I do not think it is meant in that sense. (Reads):

"JUDGMENT ON FURTHER DIRECTIONS.

"This matter coming on this present day to be heard on further directions, upon reading the judgment delivered in this case, on the twenty-fourth day of November in the year A.D. One thousand nine hundred and twenty-three and letters, from the Board of Pension Commissioners for Canada, relating to the said judgment and dated October thirty-first and November twentieth, respectively, which are taken as an application for further directions:

"The Board makes the following findings which are to be read as part of the said judgment dated the twenty-fourth day of October in the year A.D. One thousand nine hundred and twenty-three.

"1. The issue between the Appellant and the Board of Pension Commissioners for Canada is not whether Appellant's disability arises out of his chest condition and is attributable to his military service, but the issue is as follows:

"Did the disability existing in the Appellant at the time of his discharge, noted in the medical boards granting discharge and noted in further medical examination of appellant, arise during Appellant's military service and is it attributable to such military service?

"2. The finding of the Board is that the disabilities from which Swettenham was suffering at the time of his discharge and which have been considerably aggravated since his discharge are debility, dyspnoea, pain in chest, and dizziness on exertion.

"3. The said disabilities arose during and are attributable to Appellant's military service.

(Sgd.) C. B. TOPP,
Secretary

(Sgd.) C. W. BELTON,
Chairman."

On receipt of that judgment the Board of Pension Commissioners awarded pension on account of the disability arising out of the chest condition, and a further judgment dated October 25th, was received from Dr. Wickware as follows:

"The marginally noted appeared before the Federal Appeal Board, appealing against the decision of the Board of Pension Commissioners, that the disability which he claims was a result of a crushed chest received at Caesar's Camp in August, 1915, was not attributable to service.

"This soldier enlisted on April 13, 1915, and a medical examiner considered him fit for active service. He proceeded to England in June, 1915. He states that on August of the same year he fell over a hill at Caesar's Camp. was some hours unconscious and on regaining consciousness he found a comrade across his chest. He did not report to any medical officer; received no treatment; but states that his chest was sore for about six weeks; gradually this soreness improved. At that time he was working as a shoemaker.

"I find, on looking over his regimental documents, that on February 28, 1916, he went before a medical board, complaining of defective eyesight, and was placed on light duty for three months as a regimental shoemaker. It will be observed that this was six months after the reported injury yet he made no mention of any chest disability or injury at this examination. His only complaint was defective vision.

"On June 2, 1916, at the expiration of his three months' light duty, he was again examined at Shorncliffe. This time he complained of pains in the chest on over-exertion. The Board examined this man and stated that his disability was deformity of chest and placed him on permanent base duty as a shoemaker.

"He carried on at this occupation, and at Witley on 15-3-17 he was categorized Biii. On 18-11-18 he was examined by a board at Witley Camp, Surrey, and complained of continual cough and dizzy spells, pain in affected area, sensations of pins and needles, worse when he had a cold, worse at night and in damp weather. He was still carrying on as a shoemaker. The board found that he was in fair condition, even though his weight had dropped from 161 to 140 lbs. From the 5th rib downward on the left side, ribs are depressed; rales heard over the bronchial area; heart sounds normal but the organ displaced slightly to the left. The board stated that his disability at that time was 5 per cent, as a result of the injury to the chest.

"Upon his return to Canada he was boarded at the Exhibition Camp, Toronto, at 20-12-18. He complained of pain over the injured area, dizziness, etc. The Board stated that all systems were normal with the exception of this depressed chest.

"At the time he was discharged he was informed on February 4, 1919, that he had no disability as a result of the chest condition in that it was present on enlistment and there had been no aggravation as a result of service.

"He complained in March, 1919. He was examined in Hamilton and a most thorough fluoroscopic examination together with X-Ray plates shows conclusively that there was no evidence of any fracture of any of these ribs or displacement of any of the costal cartilages. They stated that his disability was 20 per cent on account of pain in the chest and dyspnoea from deformity; no pensionable disability in that it was a pre-war condition.

"Subsequent examinations by the Pension Officers estimate his disability at 25 per cent, though the medical examiners have failed to discover any active condition in the chest which could be attributable to this alleged injury.

"As stated above, there is no question or doubt but that this deformity of the chest occurred in early life before ossification was complete, and the fact that he lost 20 lbs. during his services accentuated the degree of deformity though did not produce any disability.

"I am therefore convinced that this man suffered no injury to his chest while on active service; there was no aggravation; and, in my opinion, there is no disability remotely connected with this condition. As he has appealed solely on the ground that he has a disability the result of a chest injury, I therefore dissent from the finding of the majority of the Commissioners of the Federal Appeal Board.

(Sgnd.) B. L. WICKWARE, M.D.,

Commissioner."

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In the case of No. 415634, Sgt. Isaac Walker, I would like to read a memorandum addressed to the honourable Minister of the D.S.C.R. This may be taken in connection with Purser and Harris.

By Mr. Caldwell:

Q. By whom is this written? Written to the Minister by whom?—A. From the Board of Pension Commissioners.

Mr. BLACK (Yukon): What is the object of taking up these individual cases here now? Is there any principle to be decided. Have members of the Committee asked that these individual cases be considered?

The CHAIRMAN: Yes, we have examined these individual cases because we thought they had some bearing as to the jurisdiction of the Appeal Board and the amendments that should be made to the law concerning that Board.

Mr. BLACK (Yukon): Who has selected these cases to be considered?

The CHAIRMAN: There have been seven cases which were adjudicated upon by the Appeal Board and on which the Board of Pension Commissioners declare that they could not comply with the decision of the Appeal Board because the Appeal Board exceeded their jurisdiction and that their decision was ultra vires, and that therefore the Board of Pension Commissioners had no authority to give effect to them, etc., and those seven cases were, in the opinion of the Committee, typical cases, as having a bearing on the general issue. That is why we dealt with them.

WITNESS: (Reads):

BPC 209658

MAY 14, 1924.

Memorandum to—

The Honourable the Minister,
Department of Soldiers' Civil Re-establishment,
Ottawa, Canada.

No. 415634, Sgt. Isaac Walker.

In reply to your inquiry of the 5th instant, pension was refused dependents of the marginally noted on the grounds that the aggravation on service of a pre-existing disease was negligible and was not a factor in the cause of death.

The powers of the Federal Appeal Board are set forth in Section 11 (1), Chapter 62, 13-14 George V, and in death cases are confined to reversing the decision of the Board of Pension Commissioners when such decision has been given on either of the following grounds,—

(a) Injury or disease resulting in death not incurred during military service;

(b) Aggravation resulting in death not incurred during military service.

The law may be more explicitly stated as follows:—

(a) An appeal lies where the Board of Pension Commissioners *admits that the aggravation resulted in death but* "refuses pension to the dependents on the ground that such aggravation was not 'incurred during service'. The statute provides that the Federal Appeal Board *may* in such instance find that the aggravation *'was incurred during service'*."

(b) If the Board of Pension Commissioners finds that the aggravation *did not result in death* then the the Federal Appeal Board has no jurisdiction to hear the appeal because it is immaterial whether such aggravation was incurred during service or not, the Board of

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Pension Commissioners having already decided that it was *not the aggravation which resulted in death*.

(c) The Federal Appeal Board has no powers conferred on it by the Statute to assess the extent of a disability incurred on service or the extent of an aggravation on service of an injury or disease pre-existing enlistment.

In the opinion of the Board of Pension Commissioners the judgment of the Federal Appeal Board is 'ultra vires', pension not having been refused on grounds which entitle an appeal to the Board.

The Board of Pension Commissioners has, therefore, **no authority** under the Statute to give effect to this judgment.

(Sgd.) J. PATON,
Secretary."

By Mr. Black (Yukon):

Q. These are going into the report, are they?

The CHAIRMAN: Yes.

WITNESS: There is just one more case.

By Mr. Clark:

Q. Did not Mr. Reilly put that letter in, or a similar letter?—A. I do not think it was read fully. My object in reading it was to get it in without anything being left out. I think this case was referred to as Private "X". (Reads):

BPC 125207

Your reference 621

March 12, 1924.

The SECRETARY,
Federal Appeal Board,
Elgin Building,
Ottawa, Canada.

No. 600087 Pte. "X"

DEAR SIR.—I have yours of the 22nd ultimo enclosing formal judgment of a member of the Federal Appeal Board in the case of the marginally noted.

This soldier's claim for pension was rejected by the Board of Pension Commissioners on the ground that the cardiac condition resulting in disability made its appearance post discharge and was due to venereal disease contracted on active service.

The powers of the Federal Appeal Board under Section 11 (1), Chapter 62, 13-14 George V, permit of it giving judgment only when pension has been refused by the B.P.C. on the grounds that the injury or disease causing disability was,—

(a) Not attributable to nor incurred during military service; or

(b) pre-existing enlistment and was not aggravated during service.

In the case of the marginally noted the B.P.C. has admitted that the disease resulting in disability was contracted on active service. The Board has, therefore, not refused pension on any grounds which under the Statute give the applicant the right of appeal to your Board.

In the opinion of the B.P.C. the judgment is 'ultra vires.'

Yours truly,

J. PATON,
Secretary."

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By Mr. Clark:

Q. On what ground did you refuse pension?—A. Due to the man's misconduct. There is a letter here dated March 25th, reading as follows:

"March 25, 1924.

The SECRETARY,
Federal Appeal Board,
Elgin Building,
Ottawa, Canada.

No. 600087 Pte. "X"

DEAR SIR,—In reply to your communication of the 21st instant in the case of the marginally noted, I am instructed to state that the Board of Pension Commissioners is not interested in the question of reappeal.

While admitting that the venereal disease resulting in disability was contracted during military service the Board has denied pension in accordance with the provisions of the Pension Act. Irrespective, therefore, of what any judgment of the Federal Appeal Board may be the B.P.C. will not make an award of pension.

Yours truly,

J. PATON,
Secretary."

In case 645579, Private Tom Kane, I would like to read a memorandum dated May 10th, 1924, addressed to the Honourable, the Minister of the D.S.C.R. from the Board of Pension Commissioners (Reads):

BPC 57548

May 10, 1924.

Memorandum to—

The Honourable the Minister,
Department of Soldiers' Civil Re-establishment,
Ottawa, Canada.

No. 645579. Pte. Tom Kane.

In reply to your memorandum of the 5th instant regarding the marginally noted, pension has been refused in this case for the entire disability on the grounds that the disability in question was obvious on enlistment. The applicant, therefore, although he saw service in a theatre of actual war, is not, under the provisions of Section 11, Chapter 43, 9-10 George V as amended entitled to pension to the full extent of his disability but is entitled only to the aggravation thereof. The relative part of this Section is as follows:

'No deduction shall be made from the degree of actual disability of any member of the forces who has served in a theatre of actual war on account of any disability or disabling condition which existed in him at the time at which he became a member of the forces; provided that no pension shall be paid for a disability or disabling condition which at such time was wilfully concealed, was obvious, was not of a nature to cause rejection from service, or was a congenital defect;'

The powers of the Federal Appeal Board are strictly confined to ruling whether or not an injury or disease resulting in disability was,

- (a) incurred during military service; or
- (b) aggravated during military service.

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Whether or not other provisions of the Pension Act operate in favour of or against the applicant is, in the opinion of the B.P.C., not the subject matter of appeal. All questions other than those which the Federal Appeal Board is specifically empowered to hear are, by Section 7 of the Pension Act as amended by Section 7 (1), Chapter 62, 13-14 George V, exclusively under the jurisdiction of the B.P.C. The section in question is as follows:—

‘Subject to the provisions of this Act and of any regulations made under the provisions of this Act, the Commission shall have full power and authority to deal with all matters pertaining to pensions, consider all applications for pension, and to award, refuse, cancel, pay and administer pensions. There shall be an appeal from any decisions of the Commission to the Federal Appeal Board as hereinafter provided pursuant to the rules and regulations established by the Governor in Council under the authority of this Act.’

J. PATON,
Secretary.”

By Mr. Caldwell:

Q. To go back to this case called “X” had the soldier died and had the pension been applied for by his dependent or was the pension applied for by himself.—A. Applied for by the man himself. Disability.

Q. Was he in a dependent condition?—A. I have not the file here, Mr. Caldwell.

Q. In looking at the Act here, what is the general practice of the Pension Board in cases of venereal disease? Is pension ever granted for disability arising from that?—A. If the man has a disability due to venereal disease, which pre-existed enlistment he gets a full pension for his disability on discharge in the discretion of the Commission, but he gets no increase of that disability subsequent to discharge. If he has this pre-existing condition and does not get to France he gets pension for any aggravation of that condition by service.

Q. But if he contracts it on service?—A. If he contracts it on service no award of pension is given, except in the discretion of the Commissioners, as contained in the clause.

By Mr. Humphrey:

Q. Are there any cases where you have granted a pension where misconduct has taken place on service, to the returned man or to the dependent?—A. I believe there are some cases, but I could not state definitely how many. I do not know that I could quote one offhand either.

Q. I am inclined to think some kind of a statement on that particular question would be of benefit to this Committee in considering this.

Mr. CALDWELL: My remembrance is that the Pension Commissioners take the stand that if a man's disability results from venereal diseases he is practically out of court.

Mr. ROSS: Only if he gets it on service.

Mr. CALDWELL: Although the Act does not say so. The Act makes no distinction, whether he gets it on service or otherwise. Section 12 says:

“A pension shall not be awarded when the death or disability of the member of the forces was due to improper conduct as herein defined; provided that the Commission may, when the applicant is in a dependent condition, award such pension as it deems fit in the circumstances.”

Mr. HUMPHREY: It should be understood that the evidence of Mr. Paton is not the evidence of the Board. We have heard Colonel Thompson on that.

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Mr. CLARK: Colonel Thompson gave full evidence on this.

The CHAIRMAN: Either Mr. Paton corroborates what Colonel Thompson said or he does not. Supposing he does not corroborate but comes out with a different version, it is not the opinion of the Board. I do not think we should examine Mr. Paton on this case further, because the Chairman of the Board took the responsibility and said, "This is the application we give to the law. Therefore we must stand by that."

Mr. CALDWELL: I will agree that if we want anything further than this we should have Colonel Thompson.

By the Chairman:

Q. You are through with what you have to say about that?—A. Yes.

The CHAIRMAN: We will now proceed with the evidence of Mr. MacNeil.

Mr. C. G. MACNEIL called, sworn and examined.

The CHAIRMAN: Now, gentlemen, I think it is hardly necessary for me to present Mr. MacNeil to you. Mr. MacNeil is secretary of the G.W.V.A. and as such he knows better perhaps the activities of that body than any other man in Canada. It has been his duty as secretary to follow legislation. He has followed it closely, and in doing so, as I have said, he has accomplished a duty and he has always been welcome and he is now, before the Committee on pensions. He has always been welcome to receive all the information that he might need, and receive, as far as I am concerned, as I have told him from the outset and am telling him now, all information that he might require in the discharge of his important functions, and I will always be delighted to give him all the assistance that I can. He will now give his evidence on what he thinks should be submitted to this Committee. I have not asked him to give evidence on any particular subject. He knows the subject certainly better than I do and perhaps better than the members of this Committee too. He knows what are the weak points in this law. Surely there must be weak points in this law as well as any other law; no law is perfect. He knows what might be suggested, in his opinion; therefore it would be up to him to place all opinions or recommendations which he can place before the Committee. In order to proceed intelligently however, I would ask him to take each subject separately and get through with one subject before beginning another, and I would ask the members of the Committee also to let him get through with one subject, and after he has completed one subject the members of the Committee can ask him questions on that particular subject, and he will afterwards take up another subject. This is the most regular way and the most intelligent way of disposing of evidence.

WITNESS: I thank you for your courtesy. I might explain at the outset that we found it very difficult to determine what representations we could make before your Committee. As you are already aware, during the inquiry of the Royal Commission, committees of ex-service men were formed at points in each province, to prepare evidence for submission to the Commission. Our evidence is now before the Commission on practically all the matters before this Committee. It has been summarized and reviewed by the Royal Commission and is dealt with in their recommendations. Furthermore, other recommendations of the Royal Commission have not yet been tabled. We are in a dilemma as regards the submission of evidence relating to matters not yet dealt with by that Commission, so we proposed to place before your Committee baldly the

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various suggestions we have to make and which have already been made to the Commission, some of which deal with further developments. I merely wish to remind you that the evidence submitted to the Royal Commission was gathered together with painstaking care for presentation, and the ex-service men throughout Canada—all the ex-service men were represented. The members of the Commission have gained the confidence of the ex-service men. There has been no idea of criticising their findings, and we feel, in so far as the recommendations already before you are concerned that they may be safely followed by the Committee and the ex-service men will be satisfied that the public interest will be safeguarded. Our petition this year, is as in former years, not based on sentiment. We appreciate the kindly sentiment shown towards ex-service men, but we do not desire to trade on that to any degree. We feel it is good business for the country to enable the widow of the deceased ex-service men to rear her children in a proper standard of living. It is good business for the country as well as good business for the public, as well as for the men themselves. We believe it would be good business as well to enable ex-service men generally to regain the status they would have enjoyed but for war service to find a foothold in activities of the country. It is important at this time, when we are faced with the serious problem of our men crossing the border. There can be no doubt as to the gravity of this situation. More than 100,000 have migrated, due to the fact of unemployment to the United States. For these and other reasons, we think there should be particular attention given to a businesslike endeavour to provide them the best possible conditions in their own country, for after all they are the stock required to develop the country because they are reproductive and productive agents. The first matter on which I have a desire to submit a suggestion relates to the permanency of the pension bonus. It has been regarded as the most important to be dealt with by your Committee, by ex-service men and by dependents generally. We desire to petition that the Act be amended, that the schedule should fix the rate permanently, on a scale equivalent to the present rate of pension plus the present pension bonus. Some pronouncements have been made on behalf of the Government, but I understand that the whole question will be considered afresh by the Committee. I wish to advance the most important reasons, in our judgment, for the permanency of this pension bonus.

Our chief reason is:

"1. That the increase in pension rates effected by the bonus was determined by a series of Parliamentary investigations to provide a standard of maintenance commensurate with the increased cost of living and in view of the stabilization of prices at the higher level should now be fixed accordingly.

The present basic rate was fixed under Order in Council, P.C. 2999, Oct. 22, 1917. The schedule, as amended at that time, awarded \$600 per annum for total disability and \$480 per annum for a widow. Upon the introduction of the Pension Act in 1919 the rates were increased upon the recommendation of a Parliamentary Committee by the application of a 20 per cent bonus. This bonus was increased to the present 50 per cent bonus upon the recommendation of the Parliamentary Committee of 1920. The Committee stated on that occasion.

From the communications received and the evidence given it became clear to your Committee that the scale of pensions, even with the addition of the bonus of 20 per cent provided under the Pension Act of 1919, was too low to ensure a reasonable standard of comfort in the face of the rising cost of living throughout the country. In view of the possibility, however, that in future years prices might recede, your Committee

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is of the opinion that increases in pension should be in the main effected by way of a bonus to be continued, but until such time as the cost of living warrants its modification.

The bonus payments which were given effect to last session increased the pensions by approximately 20 per cent over the existing or basis rates for or in respect to privates and corporals (military) and rating below petty officers (naval) and also increased the pensions of sergeants etc., by a sufficient amount to bring them to the same level as those of the rank and file. The bonus which your Committee proposes should be given this year would increase the pension by 50 per cent over the basic rates for or in respect to privates and corporals (military) and retaining below petty officers (naval); and would also increase the pensions of those below the rank of lieutenant by an amount sufficient to bring them to the same level as those of the rank and file.

The following year the Committee again considered the subject and reported:

(2) The question of continuing this bonus as a temporary or permanent addition to pensions, of increasing or diminishing it, was one of the most important with which your Committee had to deal. Much evidence and many representations on the subject were received and carefully considered. Independent opinion was expressed that the present rates for the totally disabled and widows were in most localities sufficient for the purpose for which they were designed, although as in former years, leaving little, if any surplus to meet extraordinary expenses incident to illness or accident.

The Department of Labour prepared for the use of the Committee the chart attached to this report setting the entire cost of living for the average family of five persons. This is based on the retail prices and rentals prevailing in the cities of Canada, and covers a period from 1913 down to March of this year. The items forming the aggregate total are rent, fuel, food, clothing and sundries. The last named item includes a modest allowance for life insurance premiums. Rent, fuel and food, makes up about two-thirds of the total, and notwithstanding some fall in the price of foods, the increase in rentals and cost of fuel maintains this major portion of the budget at much beyond its pre-war level.

As will be noted, the peak of high prices was reached during the middle of 1920 when the family budget was double that of the average of 1913. Since September last, there has been a sensible and accelerating decline until in March the level reached corresponds to that of the last quarter of 1919.

Other charts prepared by the same Department show the trend of wholesale prices over a longer term of years. The decline in these has been sharper and more rapid than in the retail trades and affords ground for hope that before long the consumer will secure some further measure of relief. Taking into consideration the above and the fact that the present bonus was not in force during the period when prices were at the maximum, your Committee recommends that it be continued for a further period of twelve months, that is, until September 1922. Before that date arrives it is possible that living conditions may adjust themselves to a point which will justify its modification.

The question came before the Special Committee of the House in the Session of 1922. The report reads:

"Except where otherwise indicated in this report, the Committee is not disposed to recommend increases in pension and/or bonus as re-

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quested, but does recommend that the rates and extent of pension and bonus as now provided for under the Pension Act be continued and remain in effect until the 1st of September 1924."

It is clear, therefore, that increases were effected by way of a bonus because of the possibility that there might occur a sharp decline in living costs, prior to 1924. That there has been no such decline is shown by the statistics issued by the Department of Labour. Living costs have remained practically stationary since 1921. The index figure indicating fluctuation of living costs stood at 156 in December 1921, and at 154 in December 1923. The need for pension at the rates established by the bonus is as great as in 1922. As all danger has passed for the present decade of any abnormal fluctuation in prices, pensions should not be subject to any unwarranted reduction prompted by other considerations.

(2) That the maximum pension has never exceeded the amount estimated as necessary to maintain the average family in decency and comfort.

The total annual income of an ex-private totally disabled with a dependent wife and three children has been \$1,644.00 for the past four years. Accepting the statistics of the Department of Labour, the minimum annual cost of maintenance for a family of five during the same period would be \$1,774.60. Thus it will be seen that the pensioner's income including pension and bonus has been on the average \$130.60 per year less than the minimum required for decency and comfort. These statistics are borne out by research work conducted in various quarters to determine the amount actually required for the budget of the average family to maintain health and decency. The lowest figure quoted is that of the National Industrial Conference Board of the United States, a Board which represents exclusively the larger employing interests in the United States. The estimate of the Board for the States bordering Canada averages approximately \$1,500.00 per annum. The minimum budget accepted by the city of Detroit for relief activities is now \$1,700.00 per annum. The budget accepted by various railway wage Boards for conciliation purposes in Canada in recent years approximated \$1,900.00 per annum. This would show most conclusively that even those in receipt of the total disability pension do not now receive anything beyond bare provision for the necessities of life.

(3) That the average pension actually awarded is considerably lower than 50 per cent of the estimated family budget under present living conditions.

It would be obviously unfair to consider only the total disability pension with reference to living costs. Pension is awarded only in accordance with the extent of the disability and awards are scaled down from the total disability rate in 20 classes. Out of 43,263 disability pensioners only 2,380 actually received total disability pensions. Only 3,505 receive more than an 80 per cent pension. A grouping of those below 80 per cent shows that 7,155 receive between 50 per cent and 80 per cent pension, 12,143 between 25 per cent and 50 per cent pensions and 20,460 receive less than a 25 per cent pension.

The average disability rating is 31.75 per cent. This allows only \$22.50 per month for a single man and \$40.00 for the average family with three children. A widow with three children receives an annual income of \$1,164, although a reasonable maximum should be fixed in the total disability pension the amount of the average pension should be held in view during any consideration of the relation of pension to living costs.

(4) That the disability pensioner is at a serious disadvantage as regards living expenses and earnings.

It has been shown that fully eighty per cent of the wage earners in Canada supplement their wages by earnings from other sources. This privilege is denied the man who is disabled. Furthermore, the disabled man is compelled

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to secure assistance for work around his home that he would ordinarily perform himself if free from disability. Again, he must spend more on transportation than the average worker and, frequently he must give special attention to his diet. If the pensioner is required to wear an appliance, his clothing costs are usually higher than the average man.

(5) That pension is awarded without reference to a man's employability, and that consequently a great many disability pensioners do not now receive a pension that compensates them for loss of earning power.

The pension scale is graded and awards are made in direct ratio to the estimated extent of disability. The disability is rated by a comparison with a normal man of the same age. The actual damage to the human frame is considered rather than the employment handicap on the general labour market. It frequently happens, therefore, that a man receives only a low disability rating where he actually is completely incapacitated as regards remunerative employment in his former vocation on the general labour market. This is particularly true of disabilities of intermittent character or among men with little education. Such men could not possibly endure any downward revision of this scale.

(6) That pension awards do not adequately provide for an increasing degree of incapacity due to increasing age.

It is the general experience that as men grow older their disabilities grow greater. There is little disposition now to award pension for post-discharge progression of a disability, if it may be claimed that such progression is due to premature old age. This also in many cases prevents the pensioner from successfully bridging the difference between actual and normal earning power and clearly shows that despite the trend of living costs many pensioners will be forced in a greater degree, as the years pass to rely on a partial pension for maintenance.

(7) That living costs are more likely to increase in the future than decrease.

Already the trend of prices in the United States is on an upward swing. It is usual for Canadian prices to follow within six months. Economists point to the impossibility of any decline for a decade. It is, therefore, possible to obtain a reliable forecast of price movements, which would justify the permanency of the present pension scale.

(8) That the prevailing uncertainty as to a permanent pension standard places pensioners at a serious disadvantage in plans for any form of permanent re-establishment.

A man with a disability or a widow with children must of necessity plan for the future, otherwise they are not able to secure any degree of economic security. With the possibility of a drastic cut in pensions always before them any commitments for the future are out of the question. This is not a wholesome situation."

Witness retired.

Committee adjourned.

COMMITTEE ROOM 436,

HOUSE OF COMMONS,

Tuesday, July 1, 1924.

The Special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers, met at 11 o'clock a.m., the Chairman, Mr. Jean J. Denis, presiding.

The CHAIRMAN: Gentlemen, when the Committee adjourned yesterday Mr. MacNeil had just begun giving his evidence, and he had disposed of the subject of the permanency of pension bonus. I will now ask him to proceed with his evidence.

C. GRANT MACNEIL recalled.

The WITNESS: Mr. Chairman, I wish to add a remark or two with regard to the question of the pension bonus, of which I was reminded as I left the stand yesterday. Unemployment has prevailed in Canada since the winter of 1920, and we are now facing another winter of unemployment. It is becoming increasingly difficult to place our disabled men in any form of employment. It is becoming increasingly difficult for employers to accept any class of labour that is not fully efficient. I pointed out yesterday that the average pension does not, in any sense, represent an adequate standard of maintenance for disabled men and their families. I wish to add this as an additional reason why the pension bonus should be added permanently to the basic pension rates, that unemployment has borne most heavily and most severely on a very large class of physically handicapped men in Canada. We have in Canada a handicapped population estimated at approximately 80,000, and to continue pensions at the present rates would materially lighten the burden placed on these men. I am instructed, sir, before proceeding with our suggestions as to amendments to the Pensions Act, to lay squarely before your Committee the question of the administration of the Pensions Act. We feel that it is futile to press for further amendments to the Act if these amendments must be entrusted to officials in whom ex-service men have no confidence whatever. I wish to remind you, sir, that two years ago I appeared before this Committee seeking redress for serious grievances entertained by ex-service men in Canada. We were invited to make specific charges, and we did so. The charges were referred to a Royal Commission by this Committee, which conducted a very thorough investigation, and in its findings sustained our charges in the main. We stand here to-day without having obtained the redress which we expected. Yesterday the Secretary of the Pensions Board appeared before this Committee and enunciated the very policy of which we complained in 1922, and which we had hoped, through the recommendations of the Royal Commission and the promises of the government, to escape to-day. Parliament did not hesitate to accept the recommendations of the Royal Commission last session; the government introduced legislation giving effect to these recommendations quite clearly. Our contention to-day is that the intention of Parliament has not been carried out in the administration of the Act.

By the Chairman:

Q. What intentions of Parliament are you referring to now?—A. I have certain specific points which I will bring out. I have just this general remark.

[Mr. C. Grant MacNeil.]

There seems to be abroad the impression that this is a contest between the organized ex-service men and the Pensions Board. The ex-service men on the one hand, contending that there should be extravagant administration of the Act, and the Board standing for economy in administration. That is far from an accurate statement of affairs. I do not think we have given this Committee any reason to expect that we are urging payment of pensions on any other ground than a basis of merit, a basis of justice, and only that in some cases the benefit of a reasonable doubt—as a reasonable doubt is defined in courts of law—should be exercised in favour of the applicant for pension. We are asking a square deal, for simple justice for the applicant, and for the application of the ordinary rules of evidence in dealing with pension claims, and we are not asking for anything beyond that. We have not had a square deal, and we are not obtaining a square deal to-day, from one end of Canada to the other within the last year, ex-service men, with hardly a dissenting voice, have expressed themselves as without confidence in the officials administering the Pensions Act.

By Mr. Arthurs:

Q. Is that largely caused by the decisions of the Justice Department regarding the recommendations, or the Act passed last year?—A. Partially as related to the interpretation of the Act passed last year.

Q. By the Justice Department?—A. Of that we know very little, really, only that which has been disclosed before this Committee. There is only communicated to us, of course, the decisions of the Pensions Board, but our complaint is partially based on the interpretation of the Act, and partially on the procedure adopted by the Board, in weighing evidence regarding claims for pension. I wish to make this clear, also that we are not unmindful of the burden placed upon the country in the Pension Bill. We ourselves are taxpayers, and have clearly in mind the interests of the taxpayers of the country. Nevertheless, we can show—it may not be possible in the time at our disposal here, but we can show that the improper methods of assembling evidence are not only working an injustice to the ex-service men generally and to their dependents, but is also working an injustice to the public. An analogy may be drawn between this situation and improper methods of accounting. If, in your business, you employ an accountant who does not follow proper methods of bookkeeping and shows a fictitious balance in your favour, you have every reason to suspect that there is an actual loss, and the same applies in regard to pension matters. If the evidence which must be assembled with regard to every claim for pension is not carefully dealt with, there is the likelihood that in as many instances where injustice is done to the claimants, in a corresponding number of instances, a drain has been made on the public treasury improperly. And we contend that behind this pension dispute there lies a complication, a mess, if we may so term it, that will ultimately cost the country a great deal to clean up unless it is dealt with almost immediately. We think, after an examination of the methods of administration of pension in other countries, that there has been no attempt to clearly define a policy for this country and until that is clearly defined trouble will inevitably occur. Reference is frequently made to the abuses of the American Pension law, which leads to annual increases each year of the American Pensions Bill. We find on the evidence given by the American officials who attended the inquiry of the Royal Commission that these exploitations of the law were due to the fact that the American Government at the outset did not clearly define its pension policy, so that the reaction, inspired by an accumulation of distressing cases set in, forced the American Government time and again to pass measures of legislation extending pension

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purely on compassionate grounds, and not within the limits of a clear and well-defined policy of administration. We submit this matter should be gone into thoroughly and dealt with thoroughly for strictly business reasons. Of course, there is impressed upon us most vividly the distress which actually exists among the people affected. There is a tendency sometimes to discuss the points at issue here on the basis of their legality. The attitude must more or less assume an academic status, but we are daily in contact with a very large class of people affected by each point at issue. Some are disabled. Some are dependents, in acute distress, and we feel that this distress should be clearly held in view. This point apparently was not held in view by the Pensions Board. A purely negative attitude on the part of the Pension Board, is not sufficient. The problem of the distressed people affected must be dealt with in some way. The cost of their maintenance will be borne by the public in some way. There is no escape under our present social system that provision must be made for the people affected. I have in mind a large number of cases where the cost to the Government is ultimately of a greater degree than if taken care of by some well-defined policy such as we suggest. As I say I can bring before the Committee the evidence that ex-service men are completely dissatisfied. We gained remedial legislation last year but the officials of the Pension Board have shown no desire to give effect to any remedy.

A Royal Commission was appointed and in the main sustained our charges. Last session Parliament acted on the recommendations of the Commission. In spite of the findings of the inquiry and the action of Parliament and due largely to the bureaucratic attitude of certain officials of the Pension Board, our grievances are still without the redress intended. The issue affects disabled men and dependents only. We have asked only that pension claims be considered on their merits, but that at least such matters be given just consideration. Ex-service men by reason of their experience have completely lost confidence in the Pensions Board. It is clearly futile to press for immediate legislation when such legislation must be entrusted to an administration that apparently has no desire to give effect to any remedy. At the last annual Dominion convention of the G.W.V.A. the following resolutions were passed:

"Protest against personnel of Pensions Board and D.S.C.R.

1. The recent proceeding before the Royal Commission, together with the clear cut findings of the Commission, have conclusively shown to the public that the officials charged with the administration of the Pension Act and the application of Government funds for the relief of the widow and orphans of deceased soldiers have not only been derelict in their duties but have shown a calculative disregard to the hardships and injustices which their arbitrary actions have caused.

We believe that the people of Canada are sympathetic to the ex-service men and it is their wish that no expense be spared in solving the problem of re-establishment in the proper care of the disabled and the protection of the widow and orphan in dire distress. We are forced to the conclusion that we can no longer place confidence in its officials who have so deliberately violated their instructions and endeavoured to obscure their violations by every possible subterfuge.

Veterans will never be satisfied as long as these officials retain office, and we demand the Government of Canada, as trustees for the widow and orphan, to take the necessary steps to purge the Pension Board and Department of S.C.R. of the element which will only tend to create national discontent and unnecessary suffering.

[Mr. C. Grant MacNeil.]

Protest against civilian employees—Pensions Board and D.S.C.R.

"Whereas it has been brought to our notice that certain employees of the Board of Pension Commissioners are not returned soldiers, and

Whereas it is possible that there are still other employees who are not returned soldiers, but are administering legislation for the benefit of returned soldiers and their dependents.

"Resolved that this Convention protest against any civilians being employed in any of the departments administering legislation affecting returned soldiers or their dependents and request the Federal Government to see that only returned soldiers are in future employed and that any employees who are not returned soldiers be removed in order that an administration may be set up which will function in the most sympathetic and efficient manner possible in the interests of returned soldiers and their dependents.

Administration of Pension and Appeal Legislation

"Whereas the Parliament of Canada has seen fit to give partial effect to the recommendations of the Royal Commission on Pensions, Insurance and general re-establishment of ex-service men and dependents, and

Whereas the Great War Veterans' Association of Canada realizes that the extension of full justice to the disabled and the dependent rests in a large measure on the manner in which the revised pension, insurance and appeal legislation is administered, and

Whereas the Royal Commission on pensions, insurance and general re-establishment has pointed out in its reports that the injustices in pension treatment and insurance matters during recent years have resulted primarily from unsympathetic administration;

"Therefore be it resolved that we, the Great War Veterans' Association of Canada in annual Convention assembled this 3rd day of July, 1923, urge upon the Minister of Soldiers' Civil Re-establishment and his colleagues of the Government the vital necessity of placing such legislation for administration only in the hands of officials that are fully cognisant of their responsibility toward the disabled and dependent, who realize the spirit in which Parliament devised and passed this beneficial legislation, and who are not prejudiced by any previously expressed opinions as to the advisability and scope of the enactments."

The Dominion Veterans' Alliance representing practically all the organized ex-service men in Canada advance the following petition, which I am instructed to lay before you."

*To His Excellency, The Governor-General of the Dominion of Canada,
and to the Honourable, the House of Commons, in Parliament
assembled.*

The humble petition of the undersigned organization of veterans, composed of ex-members of His Majesty's Forces humbly sheweth that:

1. In the month of June, 1922, certain allegations and accusations were made by the Great War Veterans' Association of Canada against the Board of Pension Commissioners for Canada;"

2. Thereafter a Royal Commission was duly constituted and appointed by the authority of Your Excellency to investigate, inquire into and report upon the allegations and accusations made, and to consider and

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make suggestions in respect of certain other matters and questions to it referred affecting the welfare of disabled ex-members of the Forces and dependents;

3. The Royal Commission, after duly investigating and inquiring into the subject matters and questions to it referred, presented to Your Excellency in Council, in the month of February, 1923, a report (therein called the Report on the First Part of the Investigation) dealing with the allegations and accusations, and in the month of April, 1923, a first interim report (therein called the First Interim Report on the second part of the Investigation) dealing with other matters and questions to it referred;

4. It appears from the said reports and the evidence given before the Royal Commission that the Board of Pension Commissioners have deprived, without any authority whatsoever veterans and ex-service men of His Majesty's Forces of rights previously granted by Parliament, and that privileges already established had been by it rendered nugatory;

5. The policy of the said Commissioners has been, in administering the Pension Act of Canada, being the Statutes of Canada (1919) 9 and 10 George the Fifth, chapter forty-three and amendments thereto, unsympathetic and unnecessarily severe and harsh towards pensioners, those entitled to pensions, and dependents, and the attitude which they have assumed has generally been antagonistic to the interests of, and has resulted in a feeling of serious discontent and dissatisfaction among veterans and ex-service men, and an utter loss of confidence among veterans and ex-service men in the judicial qualities of the Commissioners or their desire to carry out the spirit and intention of the Pension Act.

6. The Royal Commission in its report found *inter alia* that;

(a) Ex-Service men of His Majesty's Forces have been deprived of rights previously granted by Parliament;

(b) The claim of ex-service men of His Majesty's Forces that established privileges had been nullified was justified.

(c) The evidence justifies the claim that the policy of the Pension Board has been unsympathetic in the attitude which has been assumed as to the function of the Pension Board in strictly interpreting and applying the law and in a gradual development of what might be characterized as encroachment on the rights and benefits assumed to have been established by a broad general declaration of principle and practice;

(d) The general attitude assumed by the Commissioners did not keep in view the peculiar nature of the legislation which the officials had to administer. The merits of the cases were not considered and no room was given sympathy, and no attention was paid by the said officials to what was said either in the House of Commons or in any Parliamentary Committee or elsewhere;

(e) The amendments to Section 11 of the Pension Act enacted in the years 1920 and 1921 have been made applicable to ex-service men of His Majesty's Canadian Expeditionary Forces, contrary to the intention of Parliament in accepting the amendments and contrary to the assurances publicly given by the said Commissioners. As a result pensions have been withheld from a number of dependents;

(f) The regulations based on Section 25, subsection 3, of the Pension Act have been so interpreted by the Board as to render the intention of this section nugatory, and in respect of certain cases caused the cancellation of many awards previously made and the rejection of legitimate claims then under consideration.

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(g) Regulations were introduced by the said Commissioners under which the Board unjustifiably assumed power to reject applications for insurance policies under the Returned Soldiers' Insurance Act on medical grounds;

(h) The aforesaid regulations were not disclosed and adverse decisions have been rendered thereupon;

(i) The general procedure of the Board had been in many cases such as to result in pensions not being awarded when the applicant had shown not only a reasonable doubt but a preponderance of evidence in his favour;

(j) The Board have unwarrantably overruled the decisions and opinions of Local Examiners;

7. It has appeared that the Board of Pension Commissioners have shown not only a marked reluctance, but an absolute refusal to carry out the recommendations made by the Royal Commission and have continued to carry out a system of obstruction, delay and want of sympathy to the ex-service men of His Majesty's Forces;

8. The said Commissioners have usurped an excess of jurisdiction unwarranted by any Act of Parliament in carrying out their administrative and judicial functions under the Pension Act and Returned Soldiers' Insurance Act;

9. The said Commissioners have constituted themselves, without jurisdiction, a Board to decide and overrule the decisions and opinions made and given by others duly constituted for the purpose of giving opinions and decisions with regard to attributability and medical conditions affecting ex-service men, without even seeing the disabled soldier or hearing any evidence;

10. The attitude of the said Commissioners since the report of the Royal Commission has been made is one of obstruction and disapproval towards any legislation remedying abuses complained of by ex-service men;

11. During the present session of Parliament the said Commissioners exaggerated and represented to the Senate of Canada the effect of the amendments to the Pension Act passed at the session of the House held in 1923 would involve the expenditure of a very large sum of money in excess of that in reality required;

12. During the discussion of the said amendments to the Pension Act at the present session of the Senate a memorandum was submitted to the said Senate by the Secretary on behalf of the Board of Pension Commissioners. The said memorandum contains many exaggerations and improbable conclusions, and shows on its face a spirit antagonistic to the claim for justice and recognition of their rights asserted for so long by ex-service men of His Majesty's Forces;

We therefore humbly submit that upon the facts shown, the Board of Pension Commissioners for Canada, appointed under the said 'The Pension Act,' have proved to be entirely unfitted for the responsible duty of administering and interpreting, exercising their functions, and carrying out in a proper spirit an Act of Parliament which has for its object and intent the care and provision of disabled men and dependents.

Your Petitioners therefore Humbly Pray that your Excellency will be pleased to recommend to, and that the House of Commons will exercise the power conferred upon the House under the said Act, namely

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Section 3, subsection 2, and remove from office forthwith the said Board of Pension Commissioners for Canada;

And your petitioners as in duty bound will ever pray.

THE DOMINION VETERANS' ALLIANCE
including

The Great War Veterans' Association,
The Army and Navy Veterans in Canada,
The Imperial Veterans in Canada,
The Tuberculous Veterans' Association,
The Grand Army of United Veterans,
The Canadian Legion.

F. G. TAYLOR, M.P.P., D.S.O.

C. G. MACNEIL,

Secretary.

I certify the above to be a true and correct copy of a petition adopted by unanimous resolution of the Dominion Council of the Dominion Veterans' Alliance Nov. 5th, 1923.

C. G. MACNEIL,

Secretary."

I would make just two references in passing; one of the most serious matters under complaint before the Commission was the interpretation of Section 25 (3) of the old Act. That deals with the pension right of those who suffered aggravation of a pre-enlistment disability. The matter was gone into by the Royal Commission and it was found that the intention of Parliament was originally that if the man reached the trenches and was regarded as A1 he would thenceforth be regarded as A1 for pension purposes and that no inquiry would be made except in stated exceptions as to his pre-enlistment disability. The Commission summed up the case admirably and the Minister of Soldier Re-establishment agreed to restore—that is, in conference with representatives of the ex-service men—agreed to restore in the legislation which he proposed to introduce, that which we conceive to be the original intention of Parliament with regard to this class. I refer now to subsection (b) of the new Section 11.

"No deduction shall be made from the degree of actual disability of any member of the Forces."

The old section read.

"No deduction shall be made from the pension of any member of the Forces."

And the Pension Board argued at that time that unless pensionable rights were established under some other section of the Act the protection intended under 25 (3) did not apply. The Act was amended to read:

"No deduction shall be made from the degree of actual disability of any member of the Forces."

We are quite sure and I think we can produce sufficient evidence to the Committee to justify our assurance that it was the intention of the Government in introducing the Bill and of the House, in approving thereof, to make it quite clear that there would be no molestation of these men who fulfilled a contract in the theatre of warfare of A1 men. It was to protect the interest of the men who fulfilled the contract of a physically fit soldier and that as the man emerged from the service he should then be awarded pension for the actual

degree of disability. This is a particularly just provision. Seldom does evidence exist as to the degree of pre-enlistment disability. I have not known of one case where this question was at issue, where it was possible for the Pension Board to produce evidence as to the actual degree of disability, or even very often as to the actual existence of the disability as the man entered the forces. This provision was particularly just, in view of the fact that under recruiting conditions in Canada men were sent to the trenches, when the demand for men was so great that men were enlisted who ordinarily would not be accepted for service.

I do not wish to bring up individual cases, but refer to a case already placed on the record. I refer to the case of Isaac Walker. The case of Isaac Walker was argued before the Pension Board in the spring of 1922. It was discussed before the committee here in 1922. It was discussed at length in some of the sub-committees and was again argued before the Royal Commission, illustrating this point. There is a widow and seven children who have, since the death of this man, been existing on the charitable contributions of people at Weymouth, Nova Scotia. The man had a disability, an ear condition, noted at time of discharge. This condition was continually present from the time of discharge until death and it was conclusively proven by the pathologist who conducted the autopsy in this case that death was the fatal termination of that particular disability. Pension was originally refused on the ground that the insurance principle of the Pension Act had expired in September, 1920. Walker died in December, 1921. It was later stated that this man had the disability before he enlisted. The only evidence to that effect,—and it cannot really be considered as evidence, for it is the entry of the man's response to a question made at the time of discharge, that he had the ear trouble when he was a child. As against that, two reputable practitioners in Nova Scotia provided evidence to show that the man had no ear trouble for twelve years before his enlistment. The evidence as to pre-enlistment disability was somewhat confused. However, they took the stand in this case, and have refused to execute the judgment of the Appeal Board who have sustained the appeal, on the ground that no progression of the disability has been proven on service. On the other hand, if the onus were placed on the Pension Board, they would be wholly unable to prove under the ordinary rules of evidence that disability actually existed, prior to enlistment, and wholly unable to prove that progression did not occur. The man was wounded and buried, he was hospitalized for a long time, and the disability was not noted up to the time he was hospitalized. It was not recorded indeed, until he was examined at the time of his discharge. The degree of aggravation could not be ascertained. We carried our point on this evidence before the Royal Commission as we did in 1922 when we appeared before this Committee. Nevertheless the Pension Board have disregarded the evidence before the Royal Commission and the summing up of the case by the Royal Commission, and disregarded the findings of the Royal Commission as sustained by the Government.

Another amendment that was passed last session was an amendment in regard to the definition of the word "obvious." We had some trouble as to just what was meant by "obvious disability," and the Royal Commission amended the definition to read that "obvious" means

"that which would be apparent, clear, plain, evident or manifest to the eye, ear or mind of an unskilled observer on examination."

One of the cases brought before the Royal Commission was that of D. B. Tait, 22893. The man enlisted in the 16th Battalion in Vancouver, was carried as far as Valcartier and there it was discovered that he had a heart condition so

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serious that it would be necessary to reject him. He signed a waiver renouncing claim for anything that might occur with regard to the heart condition, so anxious was he to proceed overseas. Although it was an absolutely illegal procedure, they accepted the waiver and allowed him to proceed to France. He had a remarkable service in France, serving from 1915 until March, 1919. He served in the 16th Battalion, a combatant unit, one of the well-known battalions that never missed any of the scraps; and at the conclusion of hostilities, I understand he continued with the Chaplain services under Canon Scott. He returned with this lengthy service. He died from a severe attack of this particular heart disease. Prior to enlistment, it was shown by the specialist who gave evidence that some natural compensation had occurred which would yield him promise of life to ripe old age if nothing occurred to disturb his mode of living. The specialist gave evidence that the stress and aggravation of service dislocated that compensation and undoubtedly precipitated a condition which yielded no hope of long life. He had actually endured the hazards of service and an enormous amount of hardship and fatigue. He died on May 9th, 1921, leaving a widow and small child. Death was due to this heart disorder. Aggravation was clearly proven by the records of hospitalization. He was hospitalized for a week for this heart disorder. It is clear to any one who understands active service conditions that he could have secured his discharge. It was his high sense of duty that inspired him to remain on service. Pension was refused to the widow on the ground that the disability on enlistment was obvious and the reason given by the Chief Medical Officer of the Board before the Royal Commission was that the existence of the waiver, although of itself illegal, proved that the disability was obvious; that the mere notation in this form made it obvious. This and other cases prompted the Ralston Commission to make a recommendation that was accepted by the Government, and the Act was so amended. To-day, pension is refused this widow and child. No regard is taken of the change in the Act, and nothing has been done. I could go on and cite innumerable instances where the intention of the amendments has been deliberately evaded. Our second complaint is—

By the Chairman:

Q. Would not that case be appealed before the Federal Appeal Board?—A. There is so much confusion as to the jurisdiction of the Appeal Board that I would not like to say.

Q. No appeal was taken?—A. I do not know that the right to appeal has been tested, but I could easily ascertain. Off-hand, I cannot give an answer. Our second complaint is that the Pension Board has refused to execute judgments of the Federal Appeal Board without good reasons. Seven cases have already been cited before this Committee. We were aware of the situation some time ago, and we had a conference with the Minister at which representations were submitted from different parts of the country, and I believe he has consented to refer to this Committee the correspondence which passed between him and the Board in this regard. There is no good reason for refusing to execute these judgments. As has been very properly said on occasion before the Federal Appeal Board, and before the Minister, I do not believe that any person in Canada would criticize the Pension Board for awarding pensions in any one of these seven cases. I do not think that any one would have the temerity to say that they are exceeding their jurisdiction in allowing the judgments of the Appeal Board to be executed. As I stated before, the situation is still more grave when you consider that many hundreds of other appellants or prospective appellants are denied the right of appeal by the interpretation placed upon the Section of the Act governing the jurisdiction of the Appeal

[Mr. C. Grant MacNeil.]

Board. One of the instances of that which has been cited is the case of Liddell. Through misunderstanding and dispute as to the man's entitlement to medical treatment, he was deported even though he had served three years in the Canadian forces under the most tragic circumstances, he was separated from his mother, the only relative he had who could care for him. His widowed mother, an aged lady, for a time had to subsist largely on the charity of the people of Winnipeg. The appeal was heard in Winnipeg before a single Commissioner of the Appeal Board, and was allowed. Application was immediately made that the judgment of the Appeal Board be executed but the Department re-appealed and it was not possible to have the appeal heard until several months later. The Department entered re-appeal on December 19th, and the Minister ordered special relief to the mother. As I have said, the Department entered re-appeal on December 19th, and as it became evident that several months would elapse before a quorum of the Board could be assembled in Winnipeg, the Soldiers' Adviser at Winnipeg waived the right of personal appearance on behalf of Mr. Liddell and deputized the officials of the Dominion Command G.W.V.A. to act on his behalf. It was then arranged that the re-appeal be heard in Ottawa on January 21st. Judgment was given in the following month and not until some time toward the end of February were pay and allowances issued to relieve the widowed mother. This man suffered from a form of dementia praecox at intervals, a harmless form of mania, with hallucinations of a religious nature. He only required treatment for a certain period until his condition cleared up, and he would then be released. It became apparent to us that during his lucid intervals he was not quite able to care for himself after his release from an institution, and that it would be well to submit a claim for pension on his behalf. A decision was on file from the Board of Pension Commissioners that he was not entitled to pension, and it was suggested to the Board that they should accept the judgment given by the Appeal Board regarding his entitlement to medical treatment. Eligibility for medical treatment and for pension rest on the same grounds. On March 29th, 1924, the Secretary of the Board of Pension Commissioners advised the Soldiers' Adviser that "the decision of the Board is that this man's mental condition existed prior to enlistment, was wilfully concealed on enlistment and was aggravated during service to a negligible extent only." Now, by that ruling, they excluded this man from the jurisdiction of the Federal Appeal Board, and we contend that they deliberately twisted the whole case into a matter of assessment; and when it becomes a matter of assessment there is no right to appeal. The Appeal Board then advised us that they could not hear the appeal. There are many such cases where this interpretation has been placed upon the Act by the Pension Board and with regard to which they not only refuse to execute the judgment of the Board of Appeal but actually exclude from the jurisdiction of the Board of Appeal men who, we believe, have a clear legal right and certainly a moral right to bring their cases to appeal before the tribunal created for that purpose by Parliament.

By Mr. Black (Yukon):

Q. The Appeal Board had given judgment in favour of the appellant?
--A. Yes, that was under P.C. 580, which is the legislation governing medical treatment. Entitlement to medical treatment is determined by an order-in-council deals somewhat differently, or in different terminology with entitlement to medical treatment, particularly with regard to insanity. It was necessary, and is still necessary in many cases to argue this question afresh before the Board of Pension Commissioners. I have another case to cite in connection with that question, where an appeal was allowed in regard to medical treatment and the judgment given in regard to medical treatment was not accepted by the

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Pension Board, and it was necessary to enter a fresh appeal for pension. Pension is in many cases linked up with medical treatment; a man passes from one to the other; and it is certainly in the interests of public economy that the period of treatment for hospitalization which has invariably a demoralizing effect should as quickly as possible be brought to an end and the man allowed to pass on to pension. Pension is awarded according to the disability rating. While under medical treatment, he is virtually treated as with total disability. Our next complaint, as regards fresh developments, is that the Pension Board has deliberately prejudiced the rights of appellants before the Federal Appeal Board, as no right exists in regard to appeal on assessment, we have a number of cases where the Board has given a ruling in such terms as to prevent the man coming before the Appeal Board. I refer to cases where the men are rated as having total disabilities at 60 per cent or 80 per cent, and as having a pensionable disability of 30 per cent and 40 per cent. The difference between total disability and pensionable disability is probably due to incapacity arising from progression of disability after discharge, perhaps from the development of a disability due to premature old age, etc. They will say to the man "your disability due to service is negligible." The introduction of that phrase "due to service" perhaps is quite a correct statement of the finding of the Board, but we have instances where this description of the disability prevents a man getting his case before the Appeal Board. The policy of the Pension Board with regard to the existence of new evidence has also prejudiced the rights of appellants before the Appeal Board. They have on occasions insisted on the withdrawal of the appeal entirely before they would deal with new and material evidence introduced during the proceedings. This is a particularly awkward point which we desire to deal with later. In many instances the Soldier's advisers are compelled to bring cases to the attention of the Appeal Board before they are fully ready. They are handicapped by the fact that the files of the Department are not in good shape. The documentation is very, very faulty. Discrepancies have been found. The documentation in the Unit Office is not quite in consonance with the documentation at the head office, and they have access only to the Unit Office files. They stumble across new and material evidence, and even although it is brought to the attention of the Pension Board, the Board will not deal with that new evidence until the man withdraws his appeal. In some instances they have insisted upon withdrawal. I have a case which I will state very briefly, the case of Charles N. Mills. (Reads):

"The above mentioned ex-service man is suffering from well-advanced tuberculosis. He was recently discharged from hospital, having received treatment with pay and allowance, following successful appeal before the Federal Appeal Board. On June 7th, 1924, the following letter was addressed to him by Dr. A. T. Bond, for the Secretary, Board of Pension Commissioners.

"I beg to inform you that the Board of Pension Commissioners have rejected your claim for pension in respect of pulmonary tuberculosis.

It is noted that the Federal Appeal Board has sustained your appeal against the Department of Soldiers' Civil Re-establishment in respect of treatment.

You have the statutory right of appeal to the Federal Appeal Board against the decision of the Board of Pension Commissioners."

It was not possible to appeal against the decision of the Board of Pension Commissioners, as his case had never been submitted for pension. We submit that this shows a total lack of desire, if nothing worse, to render justice to the man or carry out even a proper investigation to establish any reasonable doubt,

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because surely the previous findings of the Appeal Board, presumably an independent tribunal, should establish, and in many cases do establish, what may be considered a reasonable doubt.

We also complain that the Board of Pension Commissioners has negated the findings of the Federal Appeal Board. This they have not the opportunity to do in the absence of right to appeal on assessment. They have the power, and we believe they exercise it, where they do not agree to a reversal of their former decision, to rate the disability of the man, even after it has been found attributable to service, as negligible in extent, or to reduce it on assessment to such an absurdly low degree as to make the man's fight for his rights absolutely useless.

We submit, further, that the procedure of the Board has not been amended in any degree, and places the burden of proof upon claimants in a degree that results in hardship and injustice. The procedure is not fair in any degree to the applicant for pension. A case was brought to my attention only yesterday morning of a commissioned officer who has been trying to have his case settled for 29 months, and he obtained a decision only the other morning. It took 29 months to secure consideration of evidence that was in existence throughout. This occurred in the instance of a commissioned officer, an intelligent man, of excellent calibre, a man who understood his claim and who understood the law, and who was in a position to secure corroborative evidence from his fellow officers. You can then understand how much more difficult it is for a man who served in the ranks, who is perhaps illiterate, or lacking in knowledge of departmental procedure. We have many cases where men have become discouraged in their first contact with the Department by reason of the response they have received at first. There is no attempt made to probe into a case at all. We believe if a man presents a claim to the Board, that the Board should exercise care to immediately exhaust all the evidence which may be available on that case, and settle it once and for all. I have in mind a case of a man named Albert V. Lane.

"The above mentioned ex-service man was discharged with a pensionable disability on account of defective hearing, for which he was awarded 15 per cent pension. He also suffered hernia and early in 1923 was admitted to hospital for operative treatment. The duration of hospital treatment was from August, 1922, until May, 1923.

"Upon discharge from hospital the surgeons advised him that he could return to heavy manual labor only at grave risk. Any undue strain, he was informed, would aggravate his condition."

This man was a wheelwright by trade, and he was informed by his medical adviser that owing to his physical condition he would be unable to return to his vocation. He was further informed that in such case operative treatment in the future would be futile. He was led to believe that he might be able to secure additional pension. He was receiving a pension for defective hearing, and he was led to believe he might secure additional pension for disability resulting from the operation, or at least the prohibition as regards employment. He was told his claim was under consideration and he returned time and time again making inquiries. He was without work, he could not go back to his former employment, his family were in destitute circumstances, and as well as he could with the language at his command he wrote a letter to the Board stating that he would like early consideration of his pension claim. The only letter he got from the Board was this—and he brought it to our attention—"I have your letter undated, regarding the Medical Board. I see by your file that you have been continued on pension at the rate of 15 per cent." That was the only reply he received, and the immediate result was that this man went around interviewing everybody in sight, and said, "Look at the

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way they are treating me; I cannot get an intelligent response". This procedure throws the onus on to a man and unless he is particularly insistent; unless he raises a fuss, in many, many instances he does not get just consideration of his claim. That is proven by such cases as I have mentioned, where, for months and months, after debate, argument, and acrimonious discussion, his claim is found to have merit and action is taken. That should not be necessary. We submit that at the very outset there should be a thorough review of the evidence and the Board should extend itself to some degree to assist a man to gather evidence. All he gets at present is a very curt three or four-line letter saying "In our opinion your disability is not pensionable."

We have examined many of these files; we find in many cases no attempt has been made to reconsider the evidence; reference is made to some decision already given, entirely ignoring new evidence, but simply reiterating decision already given. You will find file after file built up to considerable thickness with correspondence merely consisting of a debate between the Board and a man. The man says "I ought to have a pension," and the Board says "You have no right to it," and the correspondence goes on some times for a period of years. There are various cases where the procedure does not give the man the benefit of the doubt. We have been promised that time and time again by the Board, but the man does not now get the benefit even of a reasonable doubt. As a matter of fact we have found that they have been denied not only the benefit of the doubt, but in many instances denied the benefit of the preponderance of evidence in their favour. I wish to refer to one case upon which evidence was given before the Royal Commission. That is the case of Chief Skipper Motley. This man enlisted at the age of 57 in May, 1917, at the time they were combing Canada for men of naval experience. After an 80 hours' turn of duty in a mine-sweeper he collapsed with an apoplectic stroke. He was awarded a pension on a permanent basis of 50 per cent; on complaint to another medical board this was increased to 75 per cent. The specialists said he was rapidly growing worse, and there was no doubt he was in a serious condition. He was attended by a practitioner in North Battleford, Saskatchewan, and it was proven that he suffered from that time until he reached the point of death with acute chronic constipation. He died following an emergency operation to remove an obstruction of the bowels. The medical man gave very positive evidence that his condition was due to service; he told of the course of treatment he had given this man prior to death for chronic constipation, and he told of finding the obstruction in the bowel, and said the man was paralyzed and unable to move and due to this, this constipation had occurred. He spoke in his report of the operation, the details of which are required to be given, of a congenital defect causing hernia in the lower sac, and associated more or less with the disability, but he made it quite clear in his report that the man was dying before this occurred, and that the operation was a forlorn hope to correct the bowel condition. Upon review of the widow's claim, at the Head Office of the Pension Board, despite the recommendation of the Junior Medical Officer—and the file discloses the fact that the Junior Medical Officer's opinion was that disability be accepted as attributable to service—they ruled "The disability can not be attributable to service, as the causative factors are congenital." I wish to point out that even though the congenital defect existed, and the Board has not taken pains to enquire into that as thoroughly as you would imagine they might; even if that were true despite the congenital defect he was hardy and healthy until the age of 57, and the paralysis precipitated the disability which caused his death. There was the further element in this case of doubt that if a Board had been held immediately prior to his final illness, undoubtedly it would have assessed his disability to over 80 per cent. The

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last Board he had was some time previous to his final illness; they found 75 per cent disability, and that he was rapidly growing worse. If he had been finally noted as being over 80 per cent, his dependents would have been pensionable in any case whatsoever. These facts were brought to the attention of the Board. Though it was reported that Mrs. Motley was in destitute circumstances, that she was an aged lady, as a matter of fact she was required to refund a very small overpayment on her husband's pension. She has not been granted a pension to this day; she has lived on the charity of relatives and others in Winnipeg, and is now living in England attempting to gain a livelihood by charring.

Mr. CLARK: Has the case been appealed?

The WITNESS: It has not been appealed.

Mr. CLARK: When did he die?

The WITNESS: In December, 1920.

Mr. CLARK: The appeal has not been heard

The WITNESS: The appeal has not been heard. I cite this as one case to show where a man was not given the benefit of a reasonable doubt, even though the doubt was established. If the evidence as actually assembled did not establish the right of the claim, we submit there was established a reasonable doubt on two counts, and this should have been exercised in favour of the applicant.

There are other types of cases where men suffer from disability of an intermittent character. I have a case in mind of a man who left the service with stricture. It was clearly proven that this stricture did not result in any way from any form of venereal disease. He would be quite healthy, but ever so often on service he would require instrumentation to correct the retention of urine. He had no disability, but every six months it was necessary for him to secure this instrumentation. There is some evidence to show it was due to injury sustained on service. He was brought in to the hospital in Edmonton in rather a low condition. They again extended this operative treatment. The final result showed that death followed laceration incurred through instrumentation and subsequent infection. The actual cause of death was given as "Acute Toxemia from urethral laceration". There was ample evidence to show the man enjoyed excellent health prior to enlistment. Certificates on file from his employers and from prominent citizens in the town where he was known, show that he was not absent from employment a day. The industrial record post-discharge shows that he was constantly suffering illness as a result of his condition. There was obvious interference with his employment. There is some evidence, and it can be reasonably assumed, that this condition arose on service, for he served for a period of years with no record of any trouble whatsoever. He broke down suddenly, and thereafter required this frequent instrumentation. The medical evidence on file shows that retention of urine was brought about by exposure on service. That is cited as cause of this particular form of disability. Furthermore, there is the doubt established by the result of the operation, that while being operated on under the care of the Department of Soldiers' Civil Re-establishment he died evidently from an unsuccessful instrumentation or some unfortunate accident during instrumentation, nevertheless, the pensionability of his wife was denied.

Our sixth and last complaint as regard circumstances which have arisen since last session is in the fact that improper espionage has been employed and injustice rendered where the moral conduct of pensioners has been under suspicion. The ex-service men from one end of Canada to the other are very frankly incensed on this point. We cannot speak too strongly of the methods of

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surveillance, employed particularly against widows against whom reports have been circulated, as to their misconduct. They are subjected to a form of espionage highly objectionable in Canada. They are denied in the investigation even the elementary principles of British justice, because under British justice if any one is accused of misconduct in any form, they have the right to file their own defence. Many of these widows have been sentenced to misery and distress in an almost unbelievable extent on evidence of the most flimsy character, and no efforts have been made to determine the actual merits of the case. I wish to refer to one case in the city of Toronto, to which no attention was paid by the Pension Board until the details were publicly exposed before the Royal Commission. This is the case of Gunner John Bland, No. 311611. His widow incurred the enmity of a local tradeswoman; there was some dispute about an account. This tradeswoman wrote to the Board, and in her letter was one sentence which read "I have went to her several times and she don't seem to want to pay the bill; she is living with a man not married to him". On receipt of this communication at the Head Office, the pension was suspended without any further evidence or further investigation. Such is the practice of the Board. One month later the Toronto District Officer reported that the misconduct had not been proven and recommended the restoration of the pension. The suspension was lifted, but the Head Office of the Pension Board ordered that the woman be kept under surveillance. In March, 1922, another malicious report reached the Board in the same way, and the pension was again suspended. In this case investigators went to great lengths; there is on file with the Department five or six reports of special investigators of the city of Toronto. These investigators visited every one in the neighbourhood; discussed her conduct with almost everybody they could get in touch with except the woman herself; she had no idea that this discussion on her conduct was going on around the neighbourhood until she received a letter from the Pension Board saying that she was not entitled to pension because of her mode of living. The investigators even went to the public schools attended by her children, called the children to one side and questioned them as to the moral conduct of their mother. I do not think any language would be too strong in condemnation of the methods employed by the investigators in this case.

By Mr. Humphrey:

Q. Are these investigators under the Board of Pension Commissioners?—A. No, they are on the staff of the D.S.C.R., but in this case the investigation was ordered by the Board of Pension Commissioners.

Mr. PATON: I would like to deny absolutely that this is the practice of the Board. In this case an unfortunate error was made and the pension suspended, but it is an isolated case.

By Mr. Humphrey:

Q. These cases you are quoting are more or less type cases, are they?—A. Yes, of a very large number of cases.

Q. You have quoted isolated cases or one particular case in support of your argument; I take it they are type cases, and you have many others of a similar nature?—A. A large number. We have many other cases, but I have two here. There are others in which we could produce evidence, if required. May I continue, that the district office finally wrote the Board:

"There is no evidence to prove that this woman is a prostitute nor has she lived openly with any man as his wife. She had acted as house-keeper to a man and his children and her own two children were living with her and slept with her."

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The whole thing arose from the fact that at the time of her mother's death, in order to provide for the expenses of her illness, she undertook to act as house-keeper for a man whose wife had been removed to the asylum, but in the arrangements of the household and all that sort of thing there was not one tittle of evidence found against her. The Toronto district office said:

"Action as taken is causing much suffering, as the family is being put out of the house for non-payment of rent. Your immediate reconsideration of this claim would be appreciated."

These facts were placed before the Pension Board, and they then had the opportunity to correct the error which the Secretary of the Board has just spoken about. On the contrary, we find the head office writing in the following form:

"Replying to your memorandum of the 5th instant, *re* the widow of the above named, I beg to advise you that your report of September 27th last was passed to the Commissioners on 12-10-22, but in some way the file became mislaid, and the Commissioners took no action on same until 7-12-22, when they cancelled the widow's pension and increased the children's pension to orphan's rates, same to be administered by your office as per letter addressed to you on January 7th.

In view of your report and memorandum of the 5th instant, claim was again submitted to the Commissioners who have confirmed their previous decision."

The investigators went out again, and again reported:

"Pensioner and her two children apparently living quietly at above address. Pensioner stated she had severed her arrangements with D—Mr. and Mrs. P. who live in flat below interviewed on several occasions maintained that pensioner lived alone with her two children, was very quiet and had few visitors."

It was not possible to get any action on this case, until publicly exposed, and we deplore the necessity of taking such action, because in every case the woman in question runs the risk of her name being besmirched in some way. Finally on June 14th, 1923, notice was given that the woman would be reinstated. We point out that at the various hearings given, the ordinary principles of justice were not observed, but this is not an isolated case. There is another one which has received considerable attention in the province of Manitoba, that of the widow of Lance Corporal Joshua Lester. This lady is almost 60 years of age. Her husband enlisted and was killed. Prior to enlistment he was particularly friendly with another man; they worked together in the C.P.R. from 1907 until enlistment, they enlisted together, and were pals during service. They belonged to the same fraternal organization, an organization in which the members pledged themselves to look after the dependents of their brethren. After the death of her husband, Mrs. Lester was awarded pension and took a small house in a rather isolated district in the city of Winnipeg. Her husband's friend returned from the war, himself disabled, himself a rather elderly man, and he arranged to board with her, and to some extent looked after her interests; I believe she kept poultry. In 1922 some malicious person living in the neighbourhood reported that the widow had remarried. An investigator was sent, and his report was accepted as proof of her immorality. They said:

"The Commissioners have ruled that you are not entitled to any further payments of pension as you have forfeited your right to pension by your present mode of living."

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No opportunity was given Mrs. Lester of filing defence on her own behalf. She protested that she was innocent of any wrongdoing, and the case was further investigated by the local office at Winnipeg. They recommended that pension be restored, as no misconduct or immorality had ever been proven. This recommendation has not been acted upon. Mrs. Lester was advised that she was assuming a risk in permitting her late husband's friend to board at her house, and consequently other arrangements were made. For some time she has lived alone and in this respect has complied fully with the requirements of the Board, even though no evidence existed of misconduct at any time. Time and again representations have been made to the Pension Board, pointing out that no good ground exists for the discontinuance of Mrs. Lester's pension. These have not been replied to. Since November 1922 this woman, who is over 50 years of age, has been forced to exist by selling piecemeal her few belongings and poultry and eggs. The payments on her little home are now far in arrears, and she is at the present time forced to accept charity to avoid starvation. A final effort was made through the Members of Manitoba to secure redress on behalf of Mrs. Lester. A special power of attorney was forwarded by Mrs. Lester to the G.W.V.A., but we have not been able to get any definite advice from the Pension Board even yet, as to what consideration is being given this further evidence. We know that this file has been withdrawn from Central Registry, and reposes evidently in the desk of the Chairman for further consideration, but this has not yet been announced.

By Mr. Humphrey:

Q. What date was this pension stopped?—A. The pension was suspended in 1922. The plight of this woman is terrible; she has been condemned to the extreme of poverty and hardship without any degree of justice being given her. Whether or not she is guilty of immorality is not the point; the point is that she has not had a fair trial.

The CHAIRMAN: I will say right now that, in justice to the officials, in view of the evidence now being given by Mr. MacNeil, I will allow the officials a few minutes—we will not begin the giving of evidence all over again—but it is one of the rules of justice in ordinary tribunals that both sides should be heard, so the officials will be given a few minutes to answer the charges made by Mr. MacNeil. Therefore there is no necessity for Mr. Paton making a statement now.

Mr. PATON: It will be impossible to answer these charges fully without having the files. Mr. MacNeil has only given a few meagre outlines of these cases, and it will be impossible to give a full answer without the files.

The CHAIRMAN: We will decide about that later on. For the time being we should let Mr. MacNeil proceed with his evidence.

The WITNESS: I wish to protest also with regard to the espionage employed in dealing with disability cases. We feel that the Pension Board has exceeded its authority in placing on the files of the men in the department information which is not relative to the matter under discussion. It is quite clear, and we quite agree, that certain facts should be ascertained by inquiry, but we believe that should be done in a straightforward, businesslike manner. I have in mind one case which was brought to the attention of the Royal Commission in Toronto where, by subterranean methods of inquiry, they placed on record damning evidence against a certain man because of his mode of life. That evidence was merely accumulated by the investigator going through the neighbourhood and recording what was actually the gossip of the neighbours, who had some reason for disliking this particular individual. Because of that, the claim for pension, which should be considered simply in the light of disability

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due to service, was considered and coloured with the suspicion as to the man's mode of living. We would be met with the argument on every hand, "Oh, you mustn't touch this case; this man is a bad egg." I submit to the Committee that the man's moral conduct was not the question under consideration; I submit it was never the intention of Parliament that the Pensions Board should sit in judgment on the morals of any applicant for pension, and I further submit that it is not just from the standpoint of the interests of the appellant, that evidence of such a character should be placed on their files and made available to departmental officials, unless the man is advised that such evidence is there, and unless he is given every chance to refute that evidence, for sooner or later, however carefully guarded these files may be, the charge leaks out. It has happened before, and it is likely to happen again. I know of instances where men, clean living chaps, have suffered reversal in business and have been subjected to suspicion, of which they had no opportunity of ascertaining the cause, and I think any investigation should be conducted in the open daylight. We find also in the case of pensioners, where there is no question as to moral conduct informations recorded in the papers of the Department; evidence, for instance, as to the appearance of his wife; evidence as to the tidiness of their children, evidence as to the disposition of the family funds. I had one instance brought forcibly to my attention recently, of a man who, since discharge has been rated as a 100 per cent disability subject, a man of very outspoken views, a very loyal subject. This man lived in a small village, where gossip is likely to start on the slightest provocation. Some letter from a malicious person was sent into the district officer in Toronto and on that evidence his pension was reduced from 100 per cent to 40 per cent. An investigator went out and talked with his former employers. He placed prominently on his file reference to this man's religious views, and the fact that he had antagonized those of other religious principles. That sort of material was on his file. It was not in any degree relevant to the matter under discussion, which was whether or not his disability was obvious. On that his pension was reduced. It was necessary for the man to journey, in considerable hardship, to Ottawa, to go through a most elaborate procedure to make certain that all the circumstances were brought fairly to the attention of the Board, and it was proven that every statement made by that investigator was untrue, for every individual reported by the investigator, furnished an affidavit refuting it. The testimony on which his pension was reduced was wholly without foundation. Another case brought before the attention of the Appeal Board was such a glaring instance of this form of espionage as to cause the soldier's advisers to make a public protest. In this case the Thiel detective agency was employed. He, in some way, had incurred the enmity of a large number of the people. The Thiel Detective Agency were placed on his trail, following him out of the country, wherever he went, not gathering evidence—they are not capable of gathering evidence as to a man's medical history—gathering evidence as to his mode of living and so on, even placing on the file some questionable evidence as to the conduct of his wife and as to the conduct of his daughter. The file is largely built up of reports of this character, dealing with the conduct of the man, his method of living and the matter of discussing public questions and so on, but nothing whatever as to his medical condition. This is the case of Charles Walker, of Amherst, Nova Scotia. These further complaints we have to submit, in addition to the complaints in the petition advanced on behalf of the Dominion Veterans' Alliance. I do not wish to occupy too much of the time of the Committee, particularly as the evidence is already before the Royal Commission, given under oath. These files had been fully exposed and the Pension Board was given every opportunity to file a defence in every particular case discussed. All these

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cases which I have mentioned, with the exception of two or three, were dealt with in that fashion. The accumulation of evidence of this character touched almost every community in this country and inspires the deep rooted conviction on the part of the ex-service men that there is something absolutely wrong with the administration of affairs in the Pension Act—and we place the responsibility of that at the doors of the officials at head office in view of the fact that they have made no attempt to remedy these conditions; in view of the fact that they have made no attempt to solve the problems that have been related; in view of the fact that they have almost sought to bring the Royal Commission into disrepute, and to discredit the work of the Federal Appeal Board; in view of the fact that they have employed obstructive methods throughout with the appellants before the Federal Appeal Board and ex-service men generally. This is the opinion expressed by almost every unit of the ex-service men in Canada; that Parliament should take some appropriate action to make quite sure that the intention of Parliament should be met with regard to the administration of this Act, for in our judgment they have shown gross incompetence and every reason to be removed from the performance of the important duties which have been entrusted to them.

By Mr. Humphrey:

Q. You would apply that to the entire Board or individuals of the Board?—A. The Board of Pension Commissioners must be responsible for this state of affairs. I am not saying that all the officials are equally guilty. There are officials on the Board who have been sympathetic, and on further inquiry we would not hesitate to name those whom we consider have extended justice and those who have not.

Q. I think it would be very valuable to this Committee.—A. But the Board itself, particularly the Chairman, must assume responsibility for this condition. On every occasion that we have advanced our plea for reform of these matters we have encountered a very definitely expressed opinion of the Chairman, who has shown no wish to improve matters, even to relieve people obviously suffering serious hardship. We have no personal feud against the Board or against any individual on the Board. I wish to make the statement as criticising the Board quite dispassionately in that regard. We were compelled to make our complaint because of the evidence with which we were daily in contact. It is a fact that can no longer be denied that the women and men affected are in acute distress. We have a prima facie case that they have legal rights under the Pension Act. The Pension Board, as a Board, has consistently denied further consideration of these rights in spite of the findings of the Royal Commission, in spite of the expressed intention of Parliament in the amendments of 1923.

Q. Since this Parliamentary Committee sat two years ago, I would gather that the attitude of the Board of Pension Commissioners had not changed for the better in any way?—A. Not in the least, as a matter of fact they have been—

By Mr. Brown:

Q. There is no different interpretation being put upon the law, as it relates to employers of men who had served in the field?—A. I quote from their own regulations, where they state definitely that the subsection continues the Board's interpretation of the Statute. There has been no change whatsoever in that point. Of all the type cases brought before the Royal Commission, very few of these have been adjusted, although all of them were brought under review but no redress was effected.

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By Mr. Humphrey:

Q. Can you make reference to any evidence that would be useful to this Committee, that was given before the Royal Commission, without going through the whole of the bulk of evidence which they have?—A. I think the Royal Commission in its report, has summed up, step by step, all the circumstances discussed before the Committee in 1922. They there give the actual citations of evidence which are relevant in the discussion of the issue. The report is very thorough and very fair and gives the Pension Board side as well as the representations of ex-service men.

By Mr. Clark:

Q. How much of this evidence which you have given was not given before the Royal Commission?—A. The petition which I have read on behalf of the Dominion Veterans Alliance is based on the evidence given at the Royal Commission. These complaints are dealt with by the Royal Commission. The six additional complaints arise out of circumstances which developed subsequent to the findings of the Royal Commission. I think three cases which I have actually cited, were not disclosed in evidence before the Commission.

Q. Which?—A. Perhaps three of those cases were not disclosed in evidence.

Q. Had you asked the Royal Commission to hear you on those?—A. These cases have arisen since the hearings have discontinued. We submitted to the Royal Commission, I believe, 100 odd type cases.

Q. Which case was not before the Royal Commission?—A. The Liddell case was not before the Royal Commission. It arose subsequent to the conclusion of the hearings. I referred to that this morning. The Lane case to which I referred this morning, was not brought out. The cases of Mrs. Lester and Mrs. Bland were both discussed before the Royal Commission.

Q. Only three that were not discussed?—A. Liddell, Lane and another one.

Q. Is it a fact that the Royal Commission has not handed down its final report?—A. That is true, but they have dealt finally with this phase of the question.

Q. It is also a fact that the Royal Commission has heard just recently representations from various individuals and organizations, is it not, on various matters? I do not know whether you know that.—A. I am aware of that. They have been dealing with the evidence already placed before them, inquiring for further information from various sources. The Royal Commission has informed me, as the representative of the ex-service men before the Commission, of exactly the nature of their inquiries. The Chairman of the Commission has taken care to inform us as to the nature of the inquiries made, so that we may not be kept in the dark as to any of the evidence received.

Q. Have you made any attempt to bring these cases to his attention?—A. No, we felt our case was already made before the Commissioner.

Q. Why not bring these additional cases as evidence before the Royal Commission. That is what the Commission was appointed for.—A. Not to deal with individual cases.

Q. No, but these charges against the Pension Board. If you have any additional evidence it seems to me an attempt should be made by you to get that additional evidence before the Royal Commission, so that all the evidence against the Pension Board will be before the Royal Commission and before it hands down its final decision it will be able to base its decision upon all the evidence available.—A. I might be wrong. I was under the impression, in my discussion with the Chairman of the Commission, that he was not in a position to accept further evidence on these points, as he felt he had finally dealt with, in his recommendations to Parliament, all the charges made against the Pension Board. He has not shown any disposition to re-open the matter.

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Q. As I understand you, no application has been made to re-open the inquiry upon these three cases, of which you now say no evidence was placed before the Royal Commission. Now, my point is, why not make an application—I know as a fact that the Royal Commission has shown a disposition to hear anyone who wants to come before it even now. I do not know whether they would be disposed to hear additional evidence on the charges against the Pension Board, but it seems to me that if there is additional evidence an attempt should be made to place that evidence before the Royal Commission.—A. I would be very glad to.

By Mr. Wallace:

Q. Are these cases not typical of cases that have been submitted to the Royal Commission?—A. Yes.

Q. There would be no object in submitting these?—A. That was our impression, that there was nothing to be gained.

By Mr. Clark:

Q. I thought the reason that you were bringing that out before us was that it was a matter of vital importance that that evidence should be considered, the evidence in these three additional cases, and if it is I think the evidence should be brought before the Royal Commission and the evidence should be before the Royal Commission before it hands down its final decision.—A. I would be glad to do that.

By Mr. Humphrey:

Q. I would take it you cited these cases to illustrate your point of argument?—A. The findings of the Royal Commission are on record and have been communicated to Parliament, in which they have mentioned the unsympathetic policy of the Board. All these matters are set forth in the report. We feel that it now remains with Parliament to take appropriate action.

By Mr. Black (Yukon):

Q. Are you aware of any provision in the law constituting the Pension Board judges of the morals of dependents of pensioners?—A. No sir, there is nothing in the Statute to warrant that.

Q. By which they are authorized in taking action either to grant or refuse pension because of the immorality of dependents?—A. In dealing with the immorality of widows, the Act is very clear and definite. I refer to Section 40. Improper conduct is defined in the Section of the Act as meaning wilful disobedience to orders and so on. We feel no action should be taken against a female pensioner until in the ordinary course of justice the woman has been found guilty of any one of the charges as stated in the Act. If sentenced in a police court for misdemeanour there would be perhaps some ground.

By Mr. Humphrey:

Q. You take the exception to the methods?—A. Absolutely, most emphatically.

Q. Stool pigeon methods.

By Mr. Brown:

Q. Would you think the Pension Commissioners had no duty in that regard at all, to investigate reports that were made in respect to that?—A. They have a duty but they have no right to suspend a pension without inquiry and the investigation should be held in a fair and impartial way, because the discontinuance of pension is a sentence not only to poverty but to disgrace. She is placed under a ban in her community. She is liable to being looked upon as

being an undesirable character. We protest against the secrecy of the investigation; the only thing I can compare it with is the methods of the secret police in Russia in the way they have obtained evidence, and have attempted to railroad the pensioners suspected. We have a number of suggestions which relate solely to the legislation of 1923. They have not been considered by the Royal Commission and we submit them because we feel that they would have some bearing in remedying the unsatisfactory conditions now complained of. We recommend that subsections 1 (a) and 1 (b) of Section 11, chapter 62 be so amended as to insure the pensionability of dependents when death results from a disability aggravated on service. This point was brought out in several of the seven cases cited by Commissioner Reilly before the Committee. We feel that under the literal interpretation of this Act, that if a man dies from a disability which was aggravated on service, the dependents are pensionable. The Act reads that pension shall be awarded.

“When the disability resulting from injury or disease or the aggravation thereof in respect of which the application for pension is made or the injury or disease or the aggravation thereof resulting in the death in respect of which the application for pension is made was attributable to, or was incurred during such military service.”

I have in mind one case where a man left the service with a definite aggravation for which he received a pension of 15 per cent. The pension was increased to 40 per cent. Hospitalization was granted and the heart condition developed into a form of paralysis. Ultimately he received 100 per cent which was continued for two years. He died of the disability for which he received the full disability pension, but pension was not extended to the dependents. The decision was given to the widow some nine months after death occurred. We contended that she was entitled to pension on two grounds; first of all, that death was the result of disability admittedly aggravated on service. Pension was denied on the ground that the disability was not sufficient to warrant the conclusion that it resulted in death. Aggravation was, however, appreciable in that it was noted. It could not be treated as negligible, because upon discharge from the service, 15 per cent was awarded for aggravation only. The death, we contend, was the result of that particular disability, and their attempt to measure the degree of aggravation, we submit, is decidedly unjust. On the ground that this man died while in receipt of a total disability pension under Section 33, subsection 2, the dependents would ordinarily receive pension whatever the cause of death might be. The Pension Board took the ground that the total disability pension was awarded in error and although they had paid for two years full disability pension, they claimed that no contract existed with the dependents of the man. A ruling was obtained from the Department of Justice sustaining the ruling of the Board, and the pension to the dependents was cut off. I submit that it is most unjust to measure aggravation, for in every instance coming under consideration, the man serves a certain period without producing evidence of any appreciable disability. The definition of disability in the Act is “The loss or lessening of the power to will and to do any normal mental or physical act.” That loss or lessening of the power to will and to do does not become apparent until the service has so aggravated the latent condition as to produce a disability within the meaning of that definition. From that time, we submit, it should be dealt with as a disability commencing from the period of service whatever the injury or disease leading up to that disability. The attempt of the Board of Pension Commissioners to measure the aggravation or to estimate the degree of aggravation or to show that it is negligible is most unfair, because the documentation is most incomplete. Practically no documentation exists as to the existence of a disability or its duration before enlistment. The appear-

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ance of the disability in itself, we contend, indicates aggravation. A man is fit for duty one day, and the next day he is unfit for duty and is sent out of the line. Usually, that indicates definite aggravation of the condition which existed before. We submit that if by the stress of service a man's days are shortened in any degree whatsoever, even by one day, that is a direct result of aggravation and when death occurs the pensionability of the dependents should be established. This is the introduction of a new principle of pension policy of which we have only become aware during recent months, or since the 1923 amendment was brought down. We would like that section so amended as to absolutely insure the pensionability of dependents when the death results directly from a disability aggravated on service. Our second suggestion is that Section 11 (1-b) be so amended as to insure its application whether or not pensionability is established under the preceding subsection. I have already read the regulation of the Board. They will not extend that protection to a man who had served in the actual theatre of war unless he can prove pensionability under the first subsection of that Section. It has particularly serious consequences in cases such as that of Isaac Walker, which has been cited before the Committee. There is an absence of evidence or a confusion as to the evidence regarding a man's pre-enlistment condition. There is absolutely no evidence as to the extent of the disability when he entered the service. There is some evidence to show a disability after a period of service. There is considerable evidence and a reasonable presumption that it was seriously aggravated on service and was treated only as superficial during a long time of hospitalization. Its existence in a very appreciable degree was absolutely indicated on the documents at the time of discharge. Death resulted from that disability, and it is most unfair that the section should be so interpreted as to place the onus upon the applicants for pension to prove that aggravation in any appreciable degree was produced by service. The presumption is and I think it was the intention of those who originally drafted the Act that it should be accepted as a conclusive presumption in such cases that the stress of service did precipitate the condition resulting in death. We also submit "That subsection (f), in Section 11 (1) be so amended as to insure that full pension is awarded in respect of a disability incurred on or aggravated during military service. This Section reads:

"(f) Subject to the proviso in paragraph (b) of this subsection, when a pension has been awarded to a member of the forces who has served in a theatre of actual war, it shall be continued, increased, decreased or discontinued, as if the entire disability had been incurred on service."

I may point out to the Committee that if a man appears before the medical Board to discuss his pension claim to-day, and it is found that his disability is less than the previous medical Board found, his pension is cut. We admit that it is right that it should be reduced in proportion as his disability has decreased, but we contend that if it is found that his disability has increased a proportionate increase should be made in pension. There is an inclination to disregard the progression of the disability due to increasing age, an inclination to disregard the post-discharge disability; I have reference particularly to premature senility. A large class of men enlisted who were over military age, who gave excellent military service in the actual theatre of war. They return now seriously incapacitated, some of them leaving the service with minor disabilities rated, say, 10 per cent, 15 per cent or 20 per cent. There has been a progression of that particular disability which is not recognized in the assessment and we feel it should be so in any case where pension is awarded for disability incurred or aggravated in the actual theatre of war.

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The fourth suggestion we make is that the Federal Appeal Board be attached, for administrative purposes, to the Department of Justice as originally recommended. The Royal Commission recommended in its first interim report that this Board be attached to the Department of Justice. This was to convey the positive assurance to ex-service men generally that there would be no possibility of any interference with the judgment of the Board. The value of this is psychological rather than otherwise; yet, at the same time, I think everybody will feel more comfortable if it is a strictly independent tribunal which is expected to bring down these judgments without any relation whatever to what has gone before. For administration purposes it should be placed under another portfolio.

We ask that, as originally recommended, right of appeal be granted against all decisions of the Department of Soldiers' Civil Re-establishment and the Board of Pension Commissioners' as regards entitlement to pension or medical treatment, whether such entitlement is based on attributability, dependency, assessment or of service conduct. We have tried to bring clearly before the Committee that the right of appeal exists only on certain grounds. That:

(a) Pensions shall be awarded to or in respect of members of the forces who have suffered disability resulting from injury or disease or an aggravation thereof, in accordance with the rates set out in Schedule 'A' of this Act, and in respect of members of the forces who have died, in accordance with the rates set out in Schedule 'B' of this Act, when the disability resulting from injury or disease, or the aggravation thereof in respect of which the application for pension is made, or the injury or disease or the aggravation thereof resulting in the death in respect of which the application for pension is made, was attributable to or was incurred during such military service."

I think it has been also brought to the attention of the Committee through the second interim report of the Royal Commission that this does not attempt consideration of all the factors which determine entitlement. Very often assessment is a factor in determining entitlement; very often the question of improper conduct, under Section 12 of the Act, is a factor which cannot be disregarded in determining entitlement, and I think the Commission made it clear that some injustice had resulted on that score. The question of improper conduct with the right to appeal, under Section 12, is brought out clearly in the case of Krezanoski.

"As a result of accidental injury on service, the above-mentioned ex-service man suffered amputation of the right arm. He was refused pension under Section 12, sub-section 2, on the grounds that the injury resulted from misconduct".

I wish to go into the details of this case to show we ought to have the right of appeal as regards withholding pensions on account of alleged misconduct.

The CHAIRMAN: Gentlemen, it is one o'clock, and I think we had better adjourn until to-morrow morning.

The witness retired.

The Committee adjourned.

COMMITTEE ROOM 424,

HOUSE OF COMMONS,

WEDNESDAY, July 2, 1924.

The Special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers met at 11 o'clock a.m.

The CLERK: The Chairman has been called to the Senate Railway Committee this morning and will not be able to be here; so I would ask you to elect a Chairman pro tem.

Mr. PELLETIER: I move that Mr. Speakman act as chairman.

Mr. ROBINSON: I second that.

Motion agreed to.

Mr. Speakman having taken the Chair,

The ACTING CHAIRMAN: I appreciate the honour you have done me, and I will show my appreciation by getting down to business. The business to-day is the continuance of the evidence of Mr. MacNeil which was partially heard yesterday.

C. GRANT MACNEIL recalled.

WITNESS: When the Committee rose yesterday I had submitted this suggestion:

"That, as originally recommended, right of appeal be granted against all decisions of the Department of Soldiers' Civil Re-establishment, and the Board of Pension Commissioners as regards entitlement to pension or medical treatment, whether such entitlement is based on attributability, dependency, assessment or service conduct."

I wish to remind the Committee that the Ralston Commission in its first preliminary report recommended that appeal should rest against all decisions of the Board of Pension Commissioners or the Department of Soldiers' Civil Re-establishment. The Commission during the inquiry considered very carefully the advisability of permitting appeals whether simply disability rating or otherwise, and it was advanced before the Commission by the Board of Pension Commissioners that appeals on assessment would allow a large number of frivolous appeals. On that point the Commission inquired very carefully, and in its recommendations advised one or two checks which it was considered would effectually operate to discourage appeals of a purely frivolous nature. One check recommended was as follows:

"The applicant to be entitled to only one appeal as to any one decision fixing the degree of disability, but assessment on each periodic re-examination to be considered a decision for this purpose. On an appeal as to degree of disability, the whole case, including service connection to be reviewed and the assessment increased, diminished, or pension discontinued as the circumstances warrant"

That is a man contemplating appeal on assessment would be warned by the Appeal Board when the appeal was considered that he stood to lose as well

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as to gain; and it was considered by the Commission that that would effectually discourage those whose appeals did not rest on substantial grounds. It was also considered by the Royal Commission that the preliminary consultation with the Soldiers' Adviser would serve to discourage frivolous appeals, and that such an anticipation was correct is borne out in our subsequent experience. Our Soldiers' Advisers inform us that frequently they are able to influence prospective appellants not to lodge an appeal as no good ground existed even when entitlement is the matter under consideration. The point was made during the discussion this year before the Committee that the right of appeal on assessment was not allowed in Great Britain. I may refer to the evidence given by Mr. Milne, the Assistant Secretary of the Ministry of Pensions of Great Britain, in which he stated very positively that the right of appeal was granted in Great Britain on assessment. As a matter of fact, in Great Britain there are three separate appeal tribunals. A man may appeal to the area Board under the Chancellor of the Exchequer on questions of entitlement. A man may appeal on final awards to an appeal board constituted under the Chancellor of the Exchequer with slightly changed personnel. That is, a doctor is added to the Board, and the lawyer who is a member of the Board is dropped. But on questions purely of assessment, the British pensioner is allowed to advance his claim before an appeal board constituted by the Ministry of Pensions, the members of which are usually recruited from the Panel doctors attached to the Area Office; and the matter is dealt with by entirely different men, and the decisions of such assessment board are recorded with some degree of finality. I can refer to the evidence given by Mr. Milne on pages 196 and 197 at Winnipeg and on page 201 of the evidence given at Winnipeg. I need not weary the Committee by reading the evidence; I believe I have given the substance of the testimony which he gave at that time correctly. We feel that it is particularly just that the right of appeal should exist on assessment. As matters stand, the man who is now without pension may appeal to establish the fact that he is entitled to pension because of service relationship to the disability; but the man who is receiving only ten per cent pension and who considers he is entitled to sixty per cent on reasonable grounds is not allowed to bring his case before the Appeal Board. It must be obvious that many such cases exist where the need of the pensioner is unfortunately greater than that of the man who appeals to establish pension in respect to a comparatively small disability. The right of appeal on assessment is necessary for the protection of pensioners. Assessment is a factor in entitlement, and if the question of assessment is emphasized in any way before the man lodges his appeal, the Pension Board may give such a ruling as to exclude the man all together from the jurisdiction of the Federal Appeal Board. Again the Pension Board has it within its power to completely negative the findings of the Federal Appeal Board when judgment is given establishing entitlement by simply reducing the rating of the disability to an absurdly low degree. In the United States the right of appeal on assessment is also granted. In the evidence given by representatives of the United States Government before the Royal Commission it was clearly established that no confusion resulted from the existence of this right of appeal. Their evidence coincided in that regard with the evidence given by the British Representatives before the Royal Commission; so that the fears entertained by the Pension Board that any right of appeal on assessment would cause confusion seem to be without ground in the experience of the United States and British Governments. The matter was inquired into by the Royal Commission with very great care, and the Royal Commission did recommend that some precaution in regard to the right of appeal on assessment should exist. Our experience during the course of events of the last eight

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months has shown us very clearly the absolute necessity of establishing this right on behalf of a large class of pensioners. We ask also that the right of appeal should exist against decisions of the Board in respect to improper conduct or misconduct on service. I started yesterday to cite the details of a case that had been mentioned before the Committee to illustrate the facts that sometimes are in dispute. I refer to the case of No. 288409, Private A. Krezanosky. As a result of accidental injury on service, this ex-service man suffered amputation of the right arm. He was refused pension under Section 12, subsection 2 on the grounds that the injury resulted from misconduct. This man's file shows that the question of misconduct was duly considered by a board of inquiry while on service. This board found it impossible to give any definite decision. There was no evidence to prove that the man was in such a state of intoxication as to warrant his being found in the place and condition he was.

There was an alternative finding, and this I would emphasize, that as he had a large sum of money on him prior to the accident, and that afterwards this money was missing, in all likelihood he was assaulted and robbed, and placed in the position which resulted in the accident. This man was provided with an artificial limb and given a course of vocational training and favorable reports have been received in connection with that vocational training. I wish to bring this matter before the Committee for two reasons, one to show how an injustice may be inflicted by denial of the right to appeal, and the other to disclose the procedure, to which we take very serious objection, a procedure which leaves the impression on the minds of the ex-soldiers that the Pension Board is doing everything possible to deprive them of their pensions.

On December 19th, 1923, the Pension Board was communicated with, pointing out that no misconduct was proven and requested that pensionability be reconsidered. On February 29th, 1924 a reply was dictated to the effect that the Board confirmed its previous decision that the man was not entitled to pension under the Statute. The Board of Pension Commissioners shifted the ground on which they had refused a pension and fell back on that section under which they are granted extraordinary powers, and in the most bureaucratic way said, "Will not give this man a pension", without disclosing a good and just reason for holding this back.

On March 6th last, the Board was again asked for a statement of the grounds upon which the decision was based, and on March 17th a reply was received to the effect that the same was being refused on the grounds that the man's disability was due to misconduct. On March 24th, the Board was again informed that the question of misconduct had been fully considered by the Court of Inquiry and had not been proven and that under British Law that where a charge cannot be proved it results in a dismissal. On April 4th, the Board stated that a decision had been reached under the powers conferred on the Board by Section 7, sub-section (1) of chapter 62, 13-14, George V, 1923, which repealed Section 7, sub-section (1) of the Act of 1919 and substituted the following:

"Subject to the provisions of this Act and any regulations made under the provision of this Act, the Commission shall have full power and authority to deal with all matters pertaining to pensions, consider all applications for pension and to award, refuse, cancel, pay and administer pensions."

The Board of Pension Commissioners have no justification for refusing to pay pension in this case. Section 11 of the Pension Act as amended, is mandatory and says that the Commission shall award pension to, or in respect of members

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of the Forces who have suffered from disability resulting from injury or disease—in respect of which application is made—was attributable to, was incurred during such military service. Section 12 provides the only exception and it requires that in order to refuse pension there must be improper conduct as defined by the Act. It is quite evident from the findings of the Court of Inquiry as quoted above, that the Court fully considered the question of misconduct and that the evidence did not warrant any definite decision. It is submitted that the Board of Pension Commissioners, with the evidence before them and with only the findings of the Court of Inquiry, is not in a position to lay down the ruling that the disability was caused by misconduct. Such a decision is unjustifiable.

The argument advanced under Section 7 is not well founded. This Section replaces Section 7 of the original Act of 1919, and the powers conferred are expressly stated to be

“subject to the provisions of this Act and of any regulations made under the provisions of this Act.”

The provisions of Section 12 are nothing if not definite and there is no authority anywhere for any interference. If Section 7 (1) gives the Commissioners power to interfere with Section 12, then it gives them power to do what they please with the whole Statute and it is certain that this is not the intention of Parliament. The submission is that as there is no improper conduct under Section 12, the Pension Board are bound by the mandatory provisions of Section 11.

By Mr. Robinson:

Q. Where did the Court of Inquiry sit?—A. In the district where the accident occurred, in England, I believe.

Q. They were there where they could find out everything?—A. A regularly constituted Court of Inquiry which is usual after such accidents, formed, no doubt within the Unit or Brigade in which the man was serving, and they had access to all the evidence available immediately after the time of the accident. I bring this before the Committee to illustrate a type of case where we believe the right of appeal should be granted; certainly the evidence as to improper conduct in such a case should be reviewed by an independent tribunal.

We ask, as well, that the right of appeal be given with respect to dependency. The right of a widowed mother to a pension depends on whether or not she is in dependent circumstances. One case to illustrate this point, and a case which has been under consideration for some time is that of No. 105812, Pte. Lawrence Holland.

The above mentioned ex-service man was killed in action September 27th, 1918. Prior to enlistment he was employed as an apprentice compositor. He had four married brothers and two married sisters, none of whom were able to offer support to their parents. Three of the brothers served during the war. The father died in 1918 and Mrs. Holland was left in a dependent condition at the age of 65 years.

Pension was awarded to Mrs. Holland at the rate of \$20 per month with effect from May 1st, 1922. This award was protested and retroactivity secured to February 1st, 1922. The award was again protested on the grounds that it was inadequate to provide maintenance for the widowed mother.

The Board of Pension Commissioners points out that when the son died he was one of a number of children who were contributing towards the mother's maintenance. The Commissioners did not consider that dependency, at the time of death, was established but that the deceased would have shared with his brothers the burden of maintaining his mother had he survived and therefore the case was treated as one of partial dependency.

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It was further stated by the Board that Mrs. Holland owned her own home and received an income of \$25 per month from the sale of property. Pension was increased to \$25 per month, but in view of the circumstances outlined the Commissioners refused to consider further increase.

It should be noted that Mrs. Holland is only actually receiving what might be termed "free lodging" and also that her entire income should be exempt under Section 34 (7).

This is one of a large number of cases in dispute with the Pension Board and we ask this Committee to recommend that we have the right to bring such disputed cases before an independent tribunal, in this case, the Federal Appeal Board. This is because in the case of dependency at the present time, no right of appeal exists.

The Pension Board interprets the Act dealing with cases of venereal disease presuming in every instance that the venereal disease resulted from improper conduct as defined by the Act. That includes wilful disobedience of orders, self-inflicted wounding and vicious or criminal conduct, and it is difficult to read into that interpretation any but a form of indiscretion which resulted in the venereal disease. There are some very pitiful cases where this infection was incurred under extraordinary circumstances, and we believe in such cases the ability should rest with the applicants to bring it under review with the Federal Appeal Board.

By Mr. Clark:

Q. You say there is no appeal from the decision of the Board as to the existence of dependency after decision is given? That is because the Act now provides that the award of a pension to such a dependent is discretionary with the Pension Board absolutely?—A. It lies within their discretion to determine whether or not the applicant is in a dependent condition.

Q. That is final? When once they give a decision under that clause of the Act which says that it is within the discretion of the Pension Board, it is final? Your suggestion is that that no longer be a matter of discretion, but that there should be the right to appeal from any decision given by the Pension Board which is now discretionary under the statute?—A. Section 34 reads:

"A parent or any person in place of a parent with respect of a member of the forces who has died shall be entitled to a pension when such member of the forces left no child, widow, or divorced wife who is entitled to a pension, or a woman awarded a pension under subsection 3 of Section 33 of this Act, and when such parent or person is in a dependent condition."

If the dependency is proven the provision of the Act is mandatory—"when such person is in a dependent condition."

Where does it say that the Pension Board has the power to define the dependency?

Mr. CALDWELL: Section 12.

The WITNESS: Dependent condition is defined as meaning the condition of being without earnings or income sufficient to provide.

By Mr. Clark:

Q. You are not touching what I am asking at all. While I cannot definitely remember, I assume that there is a clause in the Act which says that the Pension Board alone has the discretion in awarding a pension to, say, a dependent mother.—A. The following subsection states:

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"In cases in which a member of the forces has died leaving orphan children in addition to a parent or person in the place of a parent who was wholly or to a substantial extent maintained by him, the Commission may, in its discretion, award a pension to such a parent or person, and if such orphan children are being cared for by a parent or person to whom the pension has been awarded, such children shall only be entitled to pension at the rate provided for children who are not orphans.

When a parent or person in the place of a parent who was not wholly or to a substantial extent maintained by the member of the forces at the time of his death, subsequently falls into a dependent condition, such parent or person may be awarded a pension provided he or she is incapacitated by mental or physical infirmity from earning a livelihood, and provided also that in the opinion of the Commission such member of the forces would have wholly or to a substantial extent maintained such parent or person had he not died.

The pension to any parent or person in the place of a parent shall be subject to review from time to time, and shall be continued, increased, decreased or discontinued in accordance with the amount deemed necessary by the Commission to provide a maintenance for such parent or person, but in no case shall such pension exceed the amount of pension prescribed for parents in Schedule B of this Act.

Provided that the pension to a widowed mother shall not be reduced on account of her earnings from personal employment.

And provided further, that the pension to a parent or person in the place of a parent shall not be reduced on account of the payment of municipal insurance on the life of a deceased member of the forces to such parent or person."

Q. What subsections?—A. All the subsections of Section 34.

Q. You say we should wipe out anything that is in the discretion of the Pension Board and make it appealable?—A. Where the matter is subject to dispute it should be subject to review by the Federal Appeal Board.

By Mr. Hudson:

Q. Would you have these all come under the purview of the Appeal Board?—A. Yes, sir; we are asking for an amendment to Clause 11 of the Statute of 1923 where it says:

"The Commission shall award pensions to or in respect of members of the forces who have suffered disability, in accordance with the rates set out in Schedule 'A' of this Act, and in respect of members of the forces who have died, in accordance with the rates set out in Schedule 'B' of this Act, when the disability or death in respect of which the application was made was attributable or was incurred or aggravated during military service."

That defines the jurisdiction of appeal and deals only with such decisions of the Board of Pension Commissioners where service relationship to the disability is disclosed.

By the Acting Chairman:

Q. As I understand it, Mr. MacNeil, you are recommending, in addition to the appeal for disability, there shall be an appeal on assessment, and also on dependency?—A. And also for the question of improper conduct.

By Mr. Arthurs:

Q. It means you desire to have an appeal in all cases?—A. It was originally recommended so by the Ralston Commission.

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By Mr. Caldwell:

Q. It was so recommended by Parliament, but was amended by the Senate —A. Yes. Bill 205 translated the Ralston Commission into that form.

Mr. ARTHUR: I think there is no necessity in dealing with all this. I think this Committee is agreed on that.

Mr. CLARK: May I interrupt to suggest this; that Mr. MacNeil deal, say, with the recommendations of the Ralston Commission, and just simply state that he approves of the amendment recommended by that Commission; or, if he does not approve, and wants to extend it, or does not want that particular amendment, let him state which ones he does not approve of, and his reasons for such disapproval. We have before us in a pretty clear and concise way in this Ralston Report, the recommendations of the Commission, and I do not think it is necessary for Mr. MacNeil to go all over these recommendations and deal with them specifically, if he agrees with them; but if he has any additional recommendations, let him give us those, because I do not think we have the time to go over again the recommendations contained in this Ralston Report. I think we are all familiar with the recommendations of the report and have pretty well made up our minds as to what we are going to do. Anything that Mr. MacNeil does not agree with, he should concentrate on and give us any additional recommendation he has to make. We will make further headway that way.

The WITNESS: These recommendations which I am now submitting deal solely with developments arising since the report thereon has been made by the Ralston Commission. These certain recommendations were made in the first interim report, and in the report of the charges where legislative effect was given thereto, but in a limited way, and some confusion has resulted. I am dealing with the conditions arising now from the legislation of 1923. Apart from that, we are in the further difficulty due to the fact that the final report of the Ralston Commission is not yet before the Committee. We have a number of suggestions which require urgent treatment, and I have been asked to file with the Committee the entire range of suggestions, that our interests may be safe-guarded, and we may be on record with regard to all matters.

Mr. CLARK: I appreciate that, but I must confess it is confusing to me, the way it is being given. Surely, there are some of these amendments at least which are suggested in the second interim report, in regard to which Mr. MacNeil can say, "I agree to that" and stop there, and only elaborate on those he does not agree with, or on those upon which some new circumstances have arisen which makes it necessary or desirable for him to elaborate upon and deal with a particular recommendation in the Ralston Report. If he refers specifically to a recommendation when he is dealing with it, it will make it easier for the Committee.

Mr. HUMPHREY: I do not know as I can agree with General Clark. I am sure we appreciate the information from Mr. MacNeil and I am inclined to think we should let him carry on with the information the way he has it compiled or put together, and then we will be able to get the most important parts from it.

The ACTING CHAIRMAN: I am inclined to think so too. Mr. MacNeil has prepared his evidence very carefully, giving not only the recommendations, but his reasons for their being carried into effect, and I think as long as he is speaking for the entire G.W.V.A., we should let him continue, presenting the views of the entire body to the Committee. I think the evidence will be concluded this morning, and if it is agreeable to the Committee, I would suggest that he be permitted to proceed.

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Mr. CLARK: The only difficulty I see is that unless Mr. MacNeil, in making each point, will specifically refer to the Ralston Report and indicate in what way his recommendation agrees with that—that will satisfy me; but to make a statement or a point and leave me in doubt as to whether he agrees or disagrees with the Ralston Report, leaving it for me, after this Committee has arisen, to read that statement and compare it with the Ralston Report, makes it, to my mind, more or less impossible to properly appreciate it.

The ACTING CHAIRMAN: We will ask Mr. MacNeil to state whether or not he agrees or disagrees with the Ralston Report on each point he brings up.

Mr. ARTHURS: The suggestion is that where the Ralston Report and the opinion of Mr. MacNeil are the same, it should not be necessary for Mr. MacNeil to elaborate very much on that.

The ACTING CHAIRMAN: Mr. MacNeil, will you indicate, in addition, how far your recommendations agree with those of the Ralston Report?

The WITNESS: These agree in effect with the existing legislation which did not carry into effect the Ralston Reports; there are three reports of the Ralston Commission tabled at different times.

A further suggestion is that provision be made for the acceptance of new evidence before the Federal Appeal Board or that the right be given to re-open an appeal upon the production of new and material evidence. That was recommended in the first interim report of the Royal Commission, was included in the Bill as introduced in the House of Commons, but was deleted as the Bill passed through the Senate last year. It is now causing great difficulty in the prosecution of appeals. Cases arise where the men were ignorant of the procedure, and were exceedingly anxious to have their appeals dealt with, perhaps pressing them forward through their own lawyers, or Soldiers' Advisor, and it was brought hurriedly before the Appeal Board and then discovered there was new and material evidence in existence which was not considered. The Pension Board will not consider such evidence. I have already submitted one case to the Committee, and unless the appeal is withdrawn in each case and a man abandons any right of priority no action is taken causing the loss of considerable time. The Ralston Commission recommended that all evidence should be heard before the Appeal Board. We appreciate the difficulty that might arise from submitting new evidence to an Appeal Court, evidence which has not been considered in the first instance, but surely it is possible to devise a procedure enabling the Board to consider fresh evidence during the progress of the appeal, without absolute abandonment of the appeal. The British Ministry of Pensions insists that all evidence gathered for the Appeal Courts should be passed through the Ministry in every instance; they deal with that evidence without affecting in any way the progress of appeal. If a decision is given in favour of the appellant, the appeal is dropped, but a great deal of hardship has resulted from the inability of the appellants in Canada to bring under consideration any new evidence.

By Mr. Ross:

Q. Mr. MacNeil, supposing that during the appeal this new evidence crops up: what is the procedure?—A. The usual procedure is for the soldier advisor to ask for suspension or adjournment of the appeal, and he takes that new evidence up with the Pension Board. Their usual practice is to refuse to consider that until the appeal is withdrawn.

Q. Should they not recommend that that new evidence be heard?—A. They should tag the appeal so that time will not be lost. Then, we believe the Federal Appeal Board should have discretion to reopen an appeal when new and important evidence comes out, even after a decision given by a quorum

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of the Board. Very often a disease matures, and only after maturity is it possible for the radiologists to determine just to what extent it goes.

By Mr. Clark:

Q. If the Act empowered the Federal Appeal Board, when new evidence arose, to make a reference back to the Pension Board to hear this new evidence and reconsider the decision, would that not meet your case?—A. We would like it heard by the Federal Appeal Board; we would like the case heard completely and then have judgment reserved; the record, including the new evidence referred back to the Pensions Board with the request that judgment be rendered, taking into consideration this new evidence.

By Mr. Caldwell:

Q. That is, judgment rendered by the Pension Board on the new evidence?—A. Yes. We would like when the evidence is on view before the Appeal Board to have it recorded immediately. That helps the litigant, especially where he is ignorant of just what evidence is required. Then that should be taken to the Pension Board and considered by them and judgment rendered thereon, and the matter referred back to the Appeal Board. If the Pension Board gives an unfavourable decision, the Appeal Board may, having already reviewed the evidence, exercise judgment immediately. If the judgment is in favour of the appellant, of course the appeal will be withdrawn. We ask that the existing facilities of the Federal Appeal Board be so extended as to permit the formation of district Boards, as originally recommended by the Ralston Commission. The Bill which passed the House of Commons last year included a recommendation for the formation of district review boards. This form of procedure was altered by the Senate. As a result there has been great delay and also dissatisfaction, because the present form—we feel that the additional appeals which may be heard as regards assessment and so on would necessitate an extension of the facilities of the Board, and the best possible way to extend these facilities would be to utilize the present personnel of the Central Appeal Board, placing say one member of the central board together with two district men who might be selected for the purpose, and sitting as district boards. That was one idea that was seriously considered by the Commission at one stage of their proceedings, having a central panel of appeal commissioners who, as they travelled from province to province, would meet two resident commissioners, acting on a per diem basis, and the three together would constitute a district review board who would meet the man and discuss the case with him and endeavour to bring the appeal to some finality there and then. We lay great stress on the advisability of dealing with all these matters, so far as possible, in the district itself and in the presence of the man himself, by men who have an opportunity of examining the appellant and all the evidence usually available locally; men who are competent to enter into a discussion with the appellant, talking the thing out with him quite frankly, with an absence of as much formality as possible, so that whether a decision is adverse or not the man would leave the court satisfied that he was getting a square deal. We think the satisfaction and contentment that would be derived from that would be of tremendous importance.

By the Acting Chairman:

Q. Would you suggest that an appeal would lie from that district appeal board to the central board?—A. To a quorum of the Board. We are just suggesting a change in the procedure which might easily be an extension of that which has already been established, although I wish to record our opinion that we would very much prefer to return to the original form of appeal procedure, advised by the Royal Commission.

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Q. Where the final decision would be rendered by the Board itself?—A. Except in certain specified cases. We would further request that sub-sections 9 and 10, omitted from Section 11 of Bill 205 last year, as returned from the Senate to the House of Commons during the session of 1923, be now restored. The whole matter is set forth in our communication to the Prime Minister at that time. Our petition read as follows:

“OTTAWA, Ont., August 2, 1923.

The Hon. W. L. MACKENZIE KING,
Prime Minister of Canada,
Ottawa, Ontario.

SIR,—On behalf of the Dominion Veterans' Alliance, I beg to petition for enactment by Order in Council of Sub-section 9 and 10, Section 11, Bill 205, which have been deleted from the published Statute, “An Act to Amend the Pension Act,” chapter 62, 13-14 George V, 1923, without authority of Parliament. An investigation is urged into the mysterious circumstances surrounding the disappearance of these sections from the copy of the Bill, as it passed from the Senate to the House of Commons on the morning of June 30th, last.

I would direct your attention to the facts as cited hereunder:—

Sub-sections 9 and 10 were included in Section 11, Bill 205, as passed by the House of Commons, on the third reading, June 13th, 1923, and made provision for proper access to files on behalf of prospective appellants, and also reimbursement of the expenses of successful appellants.

These clauses were approved by the Special Committee of the Senate and were included in the amended Bill, as reported from that Committee, after second reading, appearing as sections 6 and 7 in the first reprint.

The clauses, referred to, were approved by the Senate on third reading of the Bill. No motion was introduced authorizing deletion thereof. The copy of the Bill in the possession of the Clerk of the Senate upon order of reference to the House of Commons included these clauses.

No amendment was offered in the House of Commons authorizing deletion of these clauses, during the debate upon the amendments requested by the Senate. The members of the House of Commons were in possession only of the Senate reprint copy of the Bill, which contained sub-sections 6 and 7, section 11.

These sub-sections do not now appear in the Statute as printed. By reason of this omission, the procedure of the Federal Appeal Board will operate unfairly to ex-service men, unless remedied by Order in Council.

This omission becomes of grave significance to prospective appellants because of the introduction into the Bill upon third reading in the Senate of a clause prohibiting the submission of evidence apart from that already recorded with the Pensions Board. This alteration was effected apparently at the instance of the law clerk as consequential to amendments during the second reading of the Bill, but actually introduced into the Bill an entirely new feature.

By an amendment also introduced during the third reading of the Bill in the Senate, the Pensions Board gained the right to employ counsel against the appellant at the sittings of the Appeal Board.

The Pensions Board officials as a matter of present practice persistently refuse to state fully to the applicants the grounds upon which claim is rejected.

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It is, therefore, obvious that, unless some remedy is provided, any ex-service man who contemplates an appeal will be required to enter the proceedings blindly and will, through the instrumentality of the Board of Pension Commissioners, be denied the justice that is extended to any British subject in any court of law.

We submit as reasons for investigation the following facts:

(1) It was stated in the Senate that the law clerk had been in close and frequent consultation with the officials of the Board of Pension Commissioners.

(2) There is also ample evidence to show that, during the inquiry of the Special Committee of the Senate, the officials of the Board of Pension Commissioners and the Department of Soldiers' Civil Re-establishment emphatically protested the procedure of appeal, as outlined in Bill 205 when originally introduced in the House of Commons by the Honourable Dr. Beland.

(3) It is also known that officials of the Board of Pension Commissioners were present in the office of the law clerk of the Senate during the evening of June 29th, and that, in rendering the assistance required, were allowed full access to the copy of the Bill as prepared for the Clerk of the House of Commons.

I would most earnestly solicit favourable action on the part of your Government with the object of removing an unjust handicap thus placed upon thousands of ex-service men and dependents, who have legitimate cause for dissatisfaction with decisions of the Pensions Board, as confirmed by the Report of the Royal Commission on Pensions and Re-establishment. This episode is perhaps the most disquieting in a series of almost heart-breaking experiences encountered in an endeavour to secure justice for distressed people.

I am, Sir,

Yours faithfully,

(Sgd.) C. G. MACNEIL,

Secretary, Dominion Veterans' Alliance."

In response to this Government agreed to give effect to the amendments as though these sub-sections had been included in the Statute, and we would ask now that they be restored to the Statute by action of the House of Commons, so as to extend the benefits of the subsections as a matter of right. We would further suggest that better facilities be provided the official Soldier Advisors, and that a central office be established to co-ordinate their work and expedite generally the procedure of appeal. It is not generally recognized just how important the work of the soldier advisors has grown to be. The soldier advisor is the first man that comes in contact with the prospective applicant. He must advise him, his advice carries with it considerable influence as to the attitude of the man towards the appeal and as to his persistence in advancing any unreasonable claim or appeal. They have done tremendously useful work. The statistics go to show that they have secured satisfactory settlements in two cases for every one that actually advanced to appeal. By this activity they have saved the country an enormous expense that would be entailed by following an appeal through to the ultimate conclusion. It is quite clear as well that the establishment of the Appeal Board has resulted in quite a different attitude on the part of the Pension Board officials. When the soldiers' advisor, in his preliminary correspondence, brings the matter again under review, as appeal may be entered in such a case, it is obvious that officials dealing with the case would give it more

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conscientious attention than ever before. The soldiers' advisors are doing invaluable work in assembling evidence. I think it would astonish many members of the Committee to examine a series of files of appellants, and to discover with what great difficulty the essential evidence is gathered together. It is necessary to spend at least several hours on each file, wading through a mass of documents, many of which do not relate to the appeal. No attempt has been made to summarize in concrete form all the relevant evidence. Frequently it is necessary to examine the military service records even more closely than the files of the Board. All that is placed on the files of the Board is a preceipe showing the military service, and that is not always accurate. It was admitted by the officials before the Commission that at some stage of the organization this work had been entrusted to incompetent individuals, and clearly it is not possible to place reliance on this medical preceipe. Consequently it is quite necessary to examine the entries on the files of the Department of National Defence, but these files are not yet complete. The hospital records, for instance, are not added to these files. All this work is being done by the Soldiers' Advisors. For the first time the country has provided officials who have made it their business to assemble in proper form all the evidence available regarding the rights of a man to pension.

By Mr. Robichaud:

Q. Does the Board make a practice of looking into these cases personally?

—A. The Soldiers' Advisor is commissioned to do that.

Q. I have a case where a soldier is an inmate of a hospital in Mu-koka, Ontario. He served four years at the front, and I have been advised that unless he submits evidence of his own accord showing that his sickness is due to service, the Department has been advised not to consider his case any further.—A. In our experience we have encountered that also, and frequently complained of it. We feel that the Department has a duty to perform.

Mr. ROBICHAUD: I have a letter here which I might read, with the permission of the Chairman.

The ACTING CHAIRMAN: If it bears on this point, and if the Committee would like to hear it.

Mr. ROBICHAUD: These are a few communications which I picked up when I saw this thing was coming on. Among 51 cases which I had in my constituency, all of which I have brought before the Board—

Mr. HUMPHREY: Before which Board, the Pension Board or the Appeal Board?

Mr. ROBICHAUD: Both of them. In this case the soldier is sick at the Muskoka Hospital, at Gravenhurst, in Ontario, and his aged mother, who is a widow, is living in my constituency. She wrote me and asked me to bring her case before the Board, and after much correspondence with the Board I have this letter.

“OTTAWA, June 27, 1924.

Re: No. 793316, Irene E. Arsenault.

DEAR SIR,—I beg to acknowledge the receipt of your letter of the 10th instant. According to all the evidence that is available the marginally noted man is not suffering from a disability in any way connected with his military service. At the same time he has been given the opportunity if he desires to avail himself of it, of producing evidence that this statement is incorrect. He has been written to as indicated in my letter of the 21st ultimo, on more than one occasion and no reply has been received from him. It became necessary therefore to instruct the

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Toronto office of the Department, a few days ago that if this man fails to co-operate it is not possible to take any further action."

As far as I can see, that boy cannot read or write English, and probably some letters in the English language have been written to him which he did not understand, and only threw in the waste paper basket.

" Nothing would be gained by sending a man to Gravenhurst to hold an investigation there. The information required is not merely a statement from the man himself, but definite evidence, as indicated in my letter of the 21st ultimo. The Department is quite ready to do everything possible to help this man or any other former member of the forces who claims to be suffering from a service disability, but no assistance can be rendered where such a man does not produce evidence in support of his claim."

This means that the man has to produce evidence himself; the onus of proving his case is left to him, and not to the Board, and I would like to see our returned soldiers given a little better facilities to prove their cases. Furthermore, I have another case here which is that of a man who was gassed. According to his story he was left unconscious on the battlefield and carried to England, and when he came to he was in a hospital in England, in London. From London he was sent to this same hospital and from there back to Manitoba, where he had enlisted. He was a barber by trade; he went back to his trade and found that he was a nervous wreck. He went to the Board and they gave him \$25 to take him home from Manitoba to his home in the county of Gloucester. Then he was taken to Ste. Anne de Bellevue Hospital, and then sent home. Then he went to the Appeal Board, and was turned down on account of having been paid \$25, as they said, in settlement of his case. That man is a total wreck to-day, and that is all he got. These are a few typical cases I have had, and of course I am just giving them for the information of the Committee.

The ACTING CHAIRMAN: It is not the policy of the Committee just now, of course, to deal with individual cases. I permitted the reading of this letter because it bore upon the facilities given the Soldier Advisors in the assembling of evidence. Now I will ask Mr. MacNeil to proceed.

The WITNESS: We have always contended that the burden of proof has been placed upon the appellant rather unfairly. We have always found that unless a man got an advocate, his case received scant consideration, unless he advanced it through a Member of Parliament or some prominent man of the community. Usually he would only get a letter dictated by a junior legal advisor, and there was no evidence to show that the case was brought under the proper consideration. For the first time the men have found advocates in the Soldiers' Advisors. I do not suggest that anything has been done to give the Soldier Advisors every access to the information on file; I wish to point out that it is a very difficult problem, because it impedes them when they have not the staff facilities. You know, there is just a single advisor in each district; he must interview all the men who desire to see him during the day—and that almost fully occupies his time. He cannot, at the same time, be giving careful consideration of the files which is necessary for the preparation of the case, nor can he give conscientious preparation to his argument to be placed before the Federal Appeal Board.

We ask this because it affects the settlement of a large number of cases out of court. We are asking also that further facilities be provided to Soldiers' Advisers, and that provision be made in some way for the co-ordination of

their work in Ottawa. This co-ordination is necessary in order that there may be uniformity of practice. We also ask that facilities be provided in Ottawa for the convenience of people not resident in Canada. A large number of dependents have moved to the United States and Great Britain and we ask that their appeals be dealt with and that some official be designated to act on their behalf when they waive their right to appear before the Appeal Board. That is in effect the suggestion in that regard.

Then we ask that subsection 2 of Section 12 of the Pension Act be so amended as to be applicable to meritorious cases. This point has already been dealt with by the Committee. It is admitted by the Pension Board and the Appeal Board that the Section is not operative, and I fully appreciate the fact that the point has been referred to a sub-committee for the purpose of drafting an amendment. I merely wish to assist the Committee by giving a few illustrations of what we consider meritorious cases. One to which I wish to refer is the case 77225 James Faskien. Upon discharge from military service this man was awarded a disability pension. The last medical board was held in October 1922, when attributability of his mental condition was established and confirmed. Some time after he disappeared and his whereabouts have not been ascertained by his family. Pension was discontinued and the wife and children are in destitute circumstances.

The decision of the Pension Board in this case is "there is nothing on the file of this Department which would indicate the man is at the present time receiving institutional treatment for a mental condition. Under these circumstances, it is regretted payments of pension cannot be resumed until it has been definitely established that this man is alive and presents himself for medical re-examination."

That case cannot be dealt with under the Act, but possibly it might be dealt with under a Section providing for meritorious cases. Another case that might be dealt with either by an amendment to Section 47 or under a section providing for meritorious cases would be that of Lieut. Hazen who was killed while on active service with the Imperial Army. At the time of enlistment he was contributing to the support of his father and mother. Subsequently, his father suffered a stroke of paralysis and since that time has been unable to do any work. As a matter of fact, he requires constant attendance on the part of his wife. No provision is made in the Act for the payment of pension where the husband is living and it has been pointed out by the Board of Pension Commissioners that as Mrs. Hazen's husband is living and living with her, she cannot be considered as a widowed mother within the meaning of the Act or the amendments thereto passed at the last session of Parliament.

Another case is that of a man named Nelson, who, upon demobilization at Quebec, disappeared. At the time of his disappearance he was supporting a widowed mother. In spite of persistent inquiries, no clue as to his present whereabouts has been obtained and his widowed mother cannot of course establish her claim for pension. She is now at a very advanced age seeking employment. She received separation allowances and assigned pay on behalf of this man, and also a portion of his war-service gratuity. There is no question about dependency in this case, but as his whereabouts cannot now be ascertained, there is no ground for claim to pension. But, such a claim, we believe, might properly be considered under a section provided for meritorious cases.

We ask that subsection 3 of Section 11 of the Pension Act, Chapter 62 be amended so as to extend for three years the period during which appeals may be lodged. As the Act now stands—

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"The right of appeal shall be open for one year after the appointment of the Federal Appeal Board by the Governor in Council, or for a like period after the decision complained of, whichever may be the later."

Actually, the Federal Appeal Board has only been functioning eight months. It took a certain time to organize their activities, and there has been a great deal of confusion with regard to the time allowed for appeals. The Soldiers' Advisers have already a large number of appeals that have still to be advanced and considered, but because of the condition of the documentation in the majority of cases they are reluctant to lodge appeals until all the evidence has been assembled. Until all the evidence is in, they feel that they are at a serious disadvantage. Consequently there is an urgent demand that the right of appeal be extended for another three years.

By Mr. Clark:

Q. They only need to write a letter?—A. They must assemble the evidence; the Department has never assembled the evidence.

Q. That is quite true, but is there anything in the Act which mentions the time of proceeding with the appeal, once it is entered?—A. Having lodged the appeal, the advocate for the appellant in presenting the case to the Pension Board may discover new and material evidence, and the appellant must withdraw his case to get that new and material evidence under consideration.

Q. Suppose that I am acting as a Soldiers' Adviser, and the time for appeal has almost expired; in order to preserve my right of appeal I write a letter saying that I am going to appeal. I am in order, am I not? The man's appeal can be heard?—A. He must give the grounds in the form of a letter.

Q. I give the general grounds. You say that they have obtained new and important evidence, but that would preserve the man's right. Why not go ahead? If the evidence is not complete when I am appearing before the Appeal Board, that merely requires withdrawal of the appeal meantime, until the new evidence is heard. It does not destroy the man's right of appeal, does it?—A. It does not destroy the right of appeal, but from the experience of the Soldiers' Advisers, they are reluctant to lodge an appeal until they are very sure that the case is complete, and that is because of the attitude of the Pension Board toward any case when an appeal is pending.

Q. Surely if it is going to preserve the man's right of appeal—A. Very likely they will do that before August of this year. The right of appeal expires some time in the middle of August this year. But they would rather have the right of appeal extended and have the opportunity of fully considering a case before lodging an appeal or settling a case by direct negotiation with the Board of Pension Commissioners.

We ask that the legislation respecting eligibility for medical treatment be brought into consonance with the Pension Act. Medical treatment was extended under P.C. 580, as will be remembered. In the Order in Council definitions are given of disability previous to service, aggravated on or by service and mental disability. We are particularly concerned about Section 9 of this Act which deals specially with mental disabilities and admits a classification of mental disabilities according to service relationship. In some respects we have found that this is not quite in consonance with what we believe to be a correct interpretation of the Pension Act, and we feel that this legislation should be placed exactly on the same basis.

We ask further that the full judgment of the Pension Board be conveyed before an appeal is lodged to the claimant. That has already been discussed in the Committee. All that the man usually gets is a four-line letter simply

stating his disability is not considered by the Board as attributable to service. That is not sufficient for the appellant. He has no way of determining upon the first letter whether or not he has legitimate grounds for advancing his appeal, and he must make further inquiries through some advocate to ascertain exactly where he stands. If such a judgment were communicated to all claimants, we believe that it would serve to eliminate a large number of appeals that would otherwise have to be considered. I have now a number of further suggestions to offer, some of which have been considered by the Royal Commission, and upon which recommendations have been made. Others have been brought before the Royal Commission, but we are not aware yet whether they are to be included in the final report. We ask:

“That the Board of Pension Commissioners be prohibited from discontinuing or suspending the pension of a widow on the ground of immorality, unless it can be shown that such widow is living openly and continuously, in the relation of man and wife, with a person to whom she is not married; and then only when such alleged offence has been satisfactorily proven by evidence taken on oath before a duly appointed Appeal Board constituted for such purpose, and when the pensioner concerned has been given the right to be represented before such Board by any advocate she may choose.”

That is a concrete suggestion arising out of cases we discussed before the Committee yesterday.

Mr. ROBICHAUD: I have been absent from the Committee for a few weeks but I have a case which I would like to submit with a view to finding out whether it has been dealt with. It is the case of a widow who had a son who did not assign any pay to her. A lot of soldiers did not assign their pay during the war; it may have been through neglect or through ignorance of the fact that they could do so. I would like the permission of the Committee to read this letter which speaks for itself. The widow lives in my constituency, and her soldier son was killed at the front, but he did not assign his pay to her although she was a widow in a very dependent condition at the time. The letter is from Mr. Paton, Secretary of the Board of Pension Commissioners, and is dated June 25th, 1924. (Reads).

“DEAR SIR,—I have your letter of the 17th inst. relative to pension for the widowed mother of the marginally named deceased ex-member of the forces. Careful consideration has been given to this claim on several occasions.”

This shows that the Board of Pension Commissioners had already taken up this case.

“During service the soldier made no assignment of pay to his mother although she was a widow at that time, over sixty years of age, and in a dependent condition. There is no evidence upon which to base the presumption that the deceased would have contributed towards his mother's support in a substantial extent had he survived.”

He was her only son, and he is gone. She is left alone in the world.

“The Board has further considered this case and has confirmed its previous decision that Mrs. Simoneau is not entitled to pension under the Statute.”

The ACTING CHAIRMAN: That letter applies to a discussion we had in the Committee some time ago as to what constituted dependents and as to whether the claim of dependents depended on a previous assignment of pay. That letter will be taken into consideration.

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WITNESS: Our next suggestion is that Section 33 (1) be amended so as to enable payment of pension to all widows who married subsequent to the appearance of disability, and within the period of one year after discharge. This was our original suggestion and the Ralston Commission has made a recommendation on this point. I am instructed to say that we favour the recommendation of the Ralston Commission. One objection, the most important objection, hitherto taken to this Section has been based on the fear of what are commonly known as death-bed marriages and it has arisen from reports circulated that after the Civil War in the United States the American Pension Bill rapidly increased year by year by reason of such marriages. That the report was not correct was disclosed before the Royal Commission by officials of the Departments in the United States who explained that other reasons were a factor in regard to that increase. What actually occurred in the United States, so far as we can understand, is that no definite policy was defined in those cases, and distressing cases accumulated to such an extent that by a natural reaction of public opinion it was found necessary to deal with them on a purely compassionate ground. The result was that bills were passed through Congress authorizing the payment of pensions that caused a considerable increase. We are as anxious as any of the members of the Committee to prevent any exploitation of this section of the Act. We feel that in the recommendation of the Ralston Commission there has been suggested a very ingenious precaution against any exploitation yet nevertheless making provision for the inclusion of all deserving cases. We take the very opposite view to that expressed by the Chairman of the Pension Board who is bitterly opposed to any such section. It is a fact which cannot be ignored that we have in Canada a large class of dependent widows whose husbands died as a result of war disabilities imposed upon them, widows with children who are in the most distressing circumstances; and it is not good enough merely to say that, because of some anticipated abuse no provision should be made for them. We believe that provision should be made for them in a proper way. They should have the right to rear the children of deceased ex-service men properly and under decent conditions. It is a fact, as stated by the Royal Commission in their report, that a large number of such widows are living on the pensions paid to the children, for the children are held eligible to payment of pension. That is a condition which should be remedied. It is a fact that many men deferred their marriage even though they had previously entered into an engagement prior to the war and who married at the earliest possible opportunity on their return. There is also a large number of cases of men who married, and who at the time of their marriage had not the faintest idea that they were suffering from any disability.

To illustrate the injustice now practiced under the Section as it stands, I will refer to the well-known case of Lieut. Phinney. Lieut. Phinney enlisted in 1914 with the Canadian forces and proceeded to England where he transferred to and was granted a commission in the Imperial forces. He was taken ill and after a period of hospitalization returned to Canada and was discharged medically unfit. Upon his recovery, he joined the C.E.F. in January 1917, proceeded to France November 1917. He was gassed and hospitalized on account of chest condition, invalided to England and admitted to hospital on February 25th, 1918. After a period in hospital he was pronounced fit by a medical Board and made arrangements to return to France. After this board had been held, and while awaiting orders to return to France, he married. He went back to France and served until the conclusion of hostilities, earning the Military Cross for taking his battery into action under particularly hazardous circumstances. He was demobilized in March 1919 and was admitted to hospital for

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tuberculosis in May 1919. He was discharged in Canada in June 1919, and died in November, 1921. The cause of death was given as haemoptysis, secondly in upper lobe right lung not tuberculous. Pension was refused his widow on the grounds that marriage was contracted subsequent to the appearance of the disability causing death. I point out that the marriage was contracted almost immediately after the medical Board pronounced that he was fit for duty in France. It is submitted that as a medical board passed him for service in France after his marriage and as in service he fulfilled the contract of a physically fit man, it should be held that at the time of marriage the disability causing death had not made its appearance, certainly not in a degree to prevent him from doing duty. There are a large number of exceedingly distressing cases of that character, and we ask for an amendment to this particular Section that will enable remedial action.

By Mr. Clark:

Q. You agree with the recommendation of the Ralston Commission?—A. Quite so.

By Mr. Ross:

Q. There was a discussion of this last year and we come to a conclusion that would fulfill the purpose. Some of us were opposed to indiscriminate provision but we agreed upon a provision. Was that not so?—A. Yes sir, but it was deleted in the Senate.

Q. I think it provided for marriages a year after discharge?—A. Yes sir.

Mr. Ross: It seemed very satisfactory to the Committee when it was passed.

Mr. CALDWELL: This question has been before the Pensions Committee ever since I sat on it.

WITNESS: It has been approved by at least two Committees.

By Mr. Ross:

Q. That was the time allowed, one year after discharge?—A. One year after discharge.

Q. So as to include all these bona fide claims?—A. We brought this fact to the attention of the Commission, and we wish to record our views, and we believe they have devised a very ingenuous scheme for protection against any form of exploitation.

By Mr. Caldwell:

Q. The report of the Ralston Commission is a little different from the amendments passed by the House of Commons. What is the difference? I have gone over this and I do not fully understand the ramifications of the recommendations of the Ralston Commission.

Mr. Ross: I think they were pretty definite—that is, those which we made.

The ACTING CHAIRMAN: I think it was possibly to remove some of the objections which had been raised in the Senate.

The WITNESS: When examined by the Chairman of the Commission we were asked several times: "Do you know the basis on which the parliamentary committee recommended the time-limit of one year?" and the only reason we could advance was probably the desire to take care of the cases of men marrying in fulfilment of bona fide engagements entered into prior to the war. The most deserving cases, of course, were such widows, and those with children, and I think the reason the commission arrived at a decision to adopt this recommendation was to take care of the needs of the widows who married in fulfilment of an engagement entered into prior to the war. They go beyond that, however, and point to the interpretation of the Act which I have just dealt with, in the

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case I illustrated. The appearance of disability is not a fair way of attempting to eliminate imprudent marriages. What is really the vital thing is not so much the appearance of the disability, but reasonable knowledge, or reasonable opportunity to determine whether or not the disability is such as to render marriage imprudent, and this takes care of the class of deserving cases where marriage was not contracted within a year after discharge, where the widows are in a dependent condition to-day, where there are children, and where there was no thought of exploitation, as in one case quoted by the Commission, where we referred to details, where the widow remarried, giving up her pension. I suppose I should refer to that case, that of Pte. Louis Lovely, No. 2497723. Mrs. Lovely was previously married to Pte. E. Boucher, No. 145552, who was killed in action. Pension was awarded to the widow and her four children. In April, 1919, she married No. 2497723, ex-Pte. L. Lovely, who had been discharged in August, 1918, with disability "loss of three fingers," which was the only apparent disability. Mrs. Lovely received re-marriage gratuity. In June, 1919, Lovely was taken suddenly ill and fell behind his team. The D.S.C.R. diagnosed him as tubercular and admitted him to hospital. Upon discharge he was awarded 100 per cent pension. He died at Ste. Agathe Sanatorium in May, 1921. Mrs. Lovely was denied pension on the grounds that the fatal disease appeared before marriage. This decision is apparently based on the opinion of the Medical Advisor to the Board of Pension Commissioners, which is as follows:—

"I do not think it possible that any physician could have overlooked the fact of the man having had tuberculosis at the time he married, and it would appear to be a reasonable conclusion that to a layman he would appear to have been in anything but ordinary health."

Section 33 (1) of the Statute reads, in part, as follows:—

"No pension shall be paid to the widow of a member of the Forces unless she was married to him before the appearance of the injury or disease which resulted in his death."

It has been stated on oath by the widow that during the period between date of marriage and date of reporting to Department of Soldiers' Civil Re-establishment that her husband never consulted a doctor or complained of ill-health and was fully able to carry on with his work, nor did she at any time detect any sign of any injury or disease, other than the loss of the three fingers.

This is a case where neither of the parties to the marriage had the faintest idea that any disability existed. The man was under observation by the Pension Board because of the disability for the three fingers and the existence of the tubercular disability had not been detected or even suspected. The recommendation of the Ralston Commission provides for cases where the marriage is considered reasonably prudent, but they insert "The foregoing prohibition shall not apply when the marriage took place prior to a date one year after the discharge of the member of the Forces if (a) there are children of the marriage of pensionable age, or (b) the widow is in a dependant condition." They felt that this recommendation should take care of practically all of the most deserving cases in this category.

By Mr. Clark:

Q. Mr. MacNeil, before you go further on that. I remember very well last year the reasons for the amendment. Now, the first paragraph of the Ralston Report opens up an entirely new class; in the first place, it applies solely to men drawing pensions, does it not? It does not apply to anyone not drawing a pension? They are all pensioners, are they not, who are referred to—suffering from disability?—A. The only reference it makes—

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Q. It must necessarily apply to pensioners; otherwise there would not be the question of pensions raised in favour of a widow after a man dies?—A. There must be a pensionable disability.

Q. Now, all pensioners, particularly pensioners who are suffering from various disabilities, are subjected to periodical Boards, are they not?—A. Yes.

Q. Could there not be some system by which a pensioner who wants to get married, could make an application, just as a man made application in the Army for permission to marry? Would not that overcome the difficulty, and settle for all time a woman's eligibility for pension? It seems to me, from the way the Ralston Report is worded there is a potential argument in every instance where a man dies, as to whether or not he was married under conditions such as to make it reasonably certain that he would live, or would not die from the disability from which he suffered and for which he was drawing pension?—A. In my opinion, they might resent any such requirement. A man likes to assert his individual right to marry as he pleases.

Q. Of course he might, but I am thinking of the avoidance of dispute after he dies.

The ACTING CHAIRMAN: Is it not a fact that practically all these cases referred to in the recommendation are past cases of marriage, and such an examination would only refer to future marriages?

Mr. CLARK: No. That is just the point, Mr. Chairman. The Section opens up an entirely new class. For instance, a man drawing a pension to-day, as I understand it, may, ten years after discharge, marry, and if he marries at a time in which the symptoms exist, but under circumstances under which a reasonably prudent man would feel safe in marrying, I do not think it makes any difference if it is ten years after marriage, and if he subsequently dies his widow is entitled to pension, if, at the time he marries, he was a reasonably prudent man and was not aware he was suffering from a disease which might result in death. That is the impression I was under.

The WITNESS: Our position is that if a man is not guilty of any attempt at fraud, why should not his widow be cared for by the State if death occurs due to war disability?

Mr. ARTHURS: Mr. MacNeil, are there not a very large number of cases where men married shortly after discharge, who had no disability apparent, but who died from disability incurred during service? Those were the cases we tried to get after last year.

The WITNESS: Very many of them.

Mr. CALDWELL: For instance, he developed tuberculosis which was not suspected at the time.

Mr. ARTHURS: Or heart trouble.

The WITNESS: Yes. We feel that would not provide for all the deserving cases; that there are some beyond the boundary, and we feel a year would not be sufficient, but the Ralston Commission anticipated the objection, and said they would recommend one year, and undoubtedly there would be pressure subsequently brought to bear to extend it one, two or three years, and that might be done in order to determine the period of permissible marriage. There is a one-year's provision for a bona fide engagement entered into prior to the war, but there are certain cases where it is necessary to remove the discrimination.

Mr. ARTHURS: Could not these cases come under the Meritorious Clause?

The WITNESS: That was the intention of the Senate in introducing the Meritorious Clause, but that is not operative; these are very difficult cases to deal with under the Meritorious Clause.

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Mr. ARTHURS: There are very few in number which would occur after one year; could they not be dealt with individually?

Mr. CLARK: I have read this a good deal, Mr. Chairman, and I do not think it matters whether a man marries ten, or twenty, or thirty years after discharge, he will be covered by paragraph 'A' of the Ralston Report, provided he acts as a reasonably prudent man would act.

Mr. ROSS: In other words, the Ralston recommendation is a good recommendation if there is a possibility of dispute?

Mr. ARTHURS: Yes, as long as they follow our recommendation.

Mr. CLARK: Quite apart from the merits in every instance of a man marrying one year after discharge, there can be a dispute as to how he acted at the time of the marriage; whether he acted as a reasonably prudent man or not. That is what I was asking Mr. MacNeil, if he did not think some provision should be added so there can be no dispute.

Mr. CALDWELL: There is a chance for dispute as to the condition he was in when he married.

Mr. CLARK: Yes, provided the marriage takes place after one year.

The WITNESS: I remember very well the case of a man who gave evidence before the Royal Commission at Calgary. He was well educated and intelligent. In fact, he was the City Solicitor for Medicine Hat. The matter came up for discussion before the Royal Commission and he says, "This applies to my own individual case". He said as follows:

"If you will permit me I will cite my own case. I was in Canada nearly four years prior to the outbreak of the war; I had been corresponding with a young lady in Scotland. I left Canada on August 1, 1914, to go home to be married. Before I got home the war broke out and I enlisted on August 30, 1914, realizing that it was my duty to fight rather than get married. I was discharged at the end of 1916, with a 40 per cent disability. I returned to Canada in about six months, but I was unable financially to get married until the end of 1918. Surely my wife is as much entitled to a pension as the widow of a man who married and then went overseas. A man who honestly went overseas before he was married ought to be in the same position as a man who said: 'Well I am going overseas, I will get married before I go so that if anything happens my wife will get the pension'".

Mr. CLARK: I do not think there is any doubt in my mind as to the type of cases you want to cover.

The WITNESS: I was going beyond the one-year limit.

Mr. CLARK: I realize that, but I was asking if you did not think there should be some additional provision added to make it impossible to have any dispute between the Pension Board and the widows?

The WITNESS: I never considered the suggestion, but offhand, the first thing that occurs to me is there might be some resentment if a man had to resort to that form of application.

By Mr. Clark:

Q. Would it not be well then to give these men who would not resent such a thing, the option of making that application, and have it in the Act that if a man does not make that application and secure permission, no question can ever arise, but those men who choose to take a chance will have to abide by the provisions of the section and leave it open to dispute.

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The Acting CHAIRMAN: That really has to do with the recommendation of the sub-committee already appointed.

Mr. CLARK: Yes, but we want Mr. MacNeil's opinion on the matter of principle.

The Acting CHAIRMAN: The sub-committee has the power to have Mr. MacNeil sit with them, and I think we should confine our discussion here to the phraseology of the amendment.

Mr. CLARK: It is not a question of phraseology; it is a matter of principle, and I am asking Mr. MacNeil for his opinion on that matter of principle. To my mind there is no question of terminology or phraseology.

The Acting CHAIRMAN: I think perhaps as we want to get through the evidence we had better reserve that until the sub-committee meets on the drafting of the amendment.

The WITNESS: May I add this remark? The Chairman of the Board opposed this section on the ground that it would pave the way to payment of pensions to people not yet born, and that sort of thing. I think the objection raised, and the illustrations employed by the Chairman of the Board reduced it to an absurdity. It would be necessary to prove that disability was directly attributable to service and it is highly improbable that a man would live to such an age as he suggests and not be aware of some disability which might cause death, and it is also extremely unlikely that a man would contract a marriage with a woman where there would be such a disparity of ages. The Chairman's references to the situation in the United States is not quite accurate as appears from the evidence given by the United States officials before the Royal Commission.

We further suggest that all widows or guardians be advised directly and opportunely as to the provisions of section 23 (B) of the Pension Act.

This provides that pension allowance be extended where the child is progressing favourably with its education. We find that a large number of parents not aware of this provision of the section have not taken steps to take advantage of it, and thus depriving the child of the benefits we believe it should have.

We further ask that no deduction be made from pensions of dependent widowed mothers, and that the provisions of section 34 (7) be extended to include all widowed mothers and include also a parent or person in place of a parent.

Mr. CLARK: What section is that?

The WITNESS: Section 34 (7). This reads: "Provided that the pension to a widowed mother shall not be reduced on account of her earnings from personal employment"—

By Mr. Caldwell:

Q. What chapter is that under?

Mr. SCAMMELL: Chapter 62 of 1920; chapter 45 of 1921.

Mr. CALDWELL: These are not numbered so we can find them very handily. What number is it?

Mr. SCAMMELL: No. 23 of the Act of 1920; No. 4 of the Act of 1921.

Mr. ROSS: Instead of "34" you should have "23" there.

Mr. CALDWELL: On page 366, at the bottom of the page—

By Mr. Caldwell:

Q. This section 23 in chapter 62 is amending section 34 of chapter 43?—
A. Yes, sir.

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Q. That is what makes the confusion?—A. Yes. Now, this is rather an important question with us. The Pension Board discriminated against those widows who were dependent on the deceased ex-soldier at the time of death, and those who subsequently fell into a dependent condition. Our contention is that if at any time the widowed mother fell into a dependent condition, and dependency is recognized, it should all be treated in exactly the same way, and the widow who is dependent at the time of the death of the soldier is protected under this subsection which we have read, we maintain that her pension should not be reduced on account of her earnings from personal employment. We see no good reason why the same protection should not be extended to the widowed mother. We also complain on this point that too great severity has been exercised in the deductions from the pensions of the widowed mothers, made on account of income or contributions from other children.

By Mr. Caldwell:

Q. That is, it provides in the Act that if she has other children they are supposed to be contributing so much, whether they do or not?—A. Yes.

Q. There is a deduction of \$10 a piece for each child, whether or not that child is contributing. There is a clause which says \$10 each shall be deducted for each child over a certain age, whether they are contributing or not.—A. This is subsection 6 of section 23 of Chapter 62, 10-11 George V, which reads as follows:

“When a parent or person in the place of a parent has unmarried sons residing with him or her who should, in the opinion of the Commission, be earning an amount sufficient to permit them to contribute to the support of such parent or person, each such unmarried son shall be deemed to be contributing not less than ten dollars a month towards such support.”

The Royal Commission has a recommendation on that point, which we heartily support.

Q. Did you say, “residing with him or her”? I think it was whether they were residing with her or not.—A. So the section reads, as I have it. It says, “residing with her.”

Q. Here is the section to which I am referring, Section 4 of Chapter 45, 11-12 George V, which is as follows:

“Subsection seven of section thirty-four of the said Act, as enacted by said chapter sixty-two, is amended by adding thereto the following words: ‘such income being considered to include the contributions from children residing with or away from her whether such contributions have actually been made or are deemed by the Commissioners to have been made.’ ”

That is an amendment to this Act which makes it worse than the 1920 Act. I remember that quite plainly, because at the time I objected to it very strongly. It makes them include daughters as well as sons, whether they are at home or not.—A. The practice on that score we feel is very unjust.

Q. This is on page 277; it is another amendment made to the Act in 1921, which made this application broader or more derogatory to the widow. This has not been re-amended; it is the one we are working under to-day.—A. The one I read is in a preceding subsection. In subsection 6 of the 1920 Act there are really two references to the earnings of the children.

Q. In 1921 it was amended to make it worse still.—A. I quite agree.

Mr. Ross: This would be referred to the subcommittee as well, would it not?

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The ACTING CHAIRMAN: Yes, I think so. The general outline has been given, so I think we had better proceed.

The WITNESS: A further suggestion, which has been approved by the Ralston Commission, is that allowances for children be consolidated, so as to enable discretion in apportioning, as circumstances may warrant. This suggestion is dealt with by the Ralston Commission in the recommendation, which we support, as far as it goes. The next suggestion we make is that following the remarriage of a widow with children, the children be awarded orphans' rates at the expiration of a period of one year after such remarriage. This is also discussed in the report of the Ralston Commission. The next suggestion is that in all instances of tertiary symptoms of V.D.S., appearing at the time of discharge or soon after aggravation from service be assumed and pension continued accordingly. This suggestion is advanced with the object of relieving a great deal of hardship, which has become possible under the present conditions. It is reasonable to assume that service brings about a recurrence of the disability. Our next recommendation is that widow's pension be awarded in instances of desertion of wives, where the pensioner was suffering from a mental disturbance as a result of service. We have a large number of cases where the husbands have disappeared, and it was known they were suffering from mental trouble, and the wives are now living in destitute circumstances. The next suggestion is that an amount equivalent to a widow's pension be allowed to an elder daughter who assumes the responsibility of a mother in taking care of young children, on account of the mother's death. I think there is only one case of that kind which has occurred and it was impossible to get her a pension. We further suggest that section 47 and section 2 (p) be amended as to enable payment of supplementary pension in Canada to the dependent parents of a deceased member of the Imperial forces previously domiciled in Canada. Section 2 to add "and shall also include a mother whose husband has become incapacitated." There was one case quoted in the House of Commons last year and the Act was amended to deal with these cases but the amendment was deleted in the Senate with the expectation that it would be possible to bring them under the Meritorious Clause. We think it would be better to amend these sections. Our next suggestion is that section 33 (2) and 23 (5) be so amended as to remove the time limit of five years and establish the pensionability of the dependents of the class of pensioners specified in the event of death from any cause at any time. This is discussed in the Ralston report, and we are heartily in support of the recommendation they make. We suggest that section 31 (3) be so amended as to provide an allowance equivalent to the wife's allowance for a widowed mother dependent upon the pensioner, and also that the widow of an ex-member of the forces, whose death is attributable to service, shall, if she was at the date of marriage, in receipt of pension in respect to a deceased former husband, be reinstated to such pension with effect from the date of last marriage. The widow remarries; she therefore forfeits her pension, so she cannot be described as a pension hunter, and when the second husband dies she should be restored to her pension. We urge that the table of disabilities and pension and medical treatment regulations be published and made available to all ex-service men and their dependents. This was recommended in the first interim report of the Royal Commission, and we feel that it is very important that this information should be at hand everywhere for ex-service men. We ask that definite instructions be issued providing that an entry be made on the file of the individual concerned at the time of each application for pension or medical treatment or of complaint, and that the reason for rejection be similarly recorded. We believe a large number of ex-service men present them at the departmental offices and are summarily rejected by officials incompetent to deal with such cases. We feel that in every case an

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entry should be made, and the reasons recorded for rejection of the claim. Otherwise men not familiar with their rights may be discouraged and may suffer serious hardship. We suggest that upon application for medical treatment and in the case of serious illness, treatment be immediately extended in all instances where prima facie evidence as to attributability is produced, pending receipt of documents from head office or other units. Recently in Canada, under the unemployment conditions which have prevailed, a large number of our men are travelling from centre to centre. They fall suddenly ill from war disability, and must present themselves to officials with whom they are not acquainted. We feel that if in such cases they present legitimate claims of having a war disability, they should be given immediate medical treatment pending departmental inquiry to establish their rights.

By Mr. Ross:

Q. I think that is generally the case, is it not?—A. There are quite a number of instances where considerable delay has occurred. Sometimes treatment is urgently necessary, and it is extended with very little question, but in a great many other cases there is considerable delay. We ask that definite instructions be issued for such a practice. I will couple with this the suggestion that men should be issued with cards stating that they are suffering from a war disability. They may wear these cards upon their persons and if any accident occurs, if they fall ill any place, any one will know just who they are and what may be the nature of the disability. If they are travelling, they may present this card to a medical officer of the Department of Soldiers' Civil Re-establishment which will facilitate extension of the necessary treatment, which may perhaps merely mean the provision of medicine. We ask that the procedure be amended to enable medical examination for pensions in the absence of documents, in all instances where the employment of the pensioner necessitates such arrangements. Men who are drifting to and fro in casual employment throughout the country are sometimes unable to appear for medical examination at the point designated. If they present themselves to the officer of the department at any other point, in order to prevent any interference with their employment, we suggest that such medical examination be proceeded with, and examination of the documents be held later. We hold that a medical examination be held as a matter of right in the instance of every application for medical treatment or pension, and that the applicant be not required to secure completion of form 819 for this purpose. It is now the practice of the Board, upon complaint, to furnish the man with a form known as 819, which he takes to a medical practitioner and asks for an examination in completion of this form. That examination costs the man a certain fee. It is not always possible, as a matter of fact, in recent years we know of many many instances where a man has been wholly unable to pay \$2 or \$3 or \$5 for such examination. We feel he should be entitled to medical examination as of right, if he advances a reasonable claim, to definitely determine whether or not he is suffering from a disability, and to determine in some degree whether that is related to service or not. We suggest that the claimant for pension be notified in all cases in writing of the decision or recommendation given by the medical examiner, and that in the event of an adverse decision, instructions be given as to the points upon which further evidence is required to establish the claim. It was found in a large number of instances that the applicant was not advised of district office recommendations. That is usually due to the fact that the district office must await receipt of the specialist's report, and usually neglects to write to the applicant. We suggest further that eligibility boards in the unit offices of the D.S.C.R. be constituted of one medical

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man and two other members of the departmental staff, not of the medical profession, but with experience in industrial conditions. I think the advisability of such a board is obvious. We ask that the decisions of local eligibility boards be not over-ruled by head office until after reference back for further consideration, and only in instances where it may be shown that palpable or obvious errors in the matter of entitlement have occurred. We submit that the unit offices are equipped with a sufficient medical staff, including specialists in all branches. The medical board has the opportunity to call in specialists if such be deemed necessary. We ask further that the administrative activities and regulations of the D.S.C.R. and B.P.C. be so co-ordinated as to enable decisions upon the question of attributability for pensions and medical treatment to be made by the same departmental organization and with consistency. There is a curious situation which arises in this regard, as pointed out by the Ralston Commission in the first interim report. It was shown there that a man may make an application for medical treatment; he is brought before an eligibility board or before medical officers of the department, and required to establish his claim. He may receive hospital care. At the conclusion of the period of hospitalization, during which he is receiving pay and allowances, he must go ahead all over again to establish his claim for pension, produce exactly the same evidence, give exactly the same arguments to establish his claim for entitlement to pension. This requires duplication of organization, and provides curious situations, where a man may establish his claim for medical treatment and be unable to establish it for pension, and vice versa. We ask that these activities be properly co-ordinated. We also ask that greater weight be given subjective symptoms in estimating the degree of disability, and that recommendations of a district office eligibility board in respect of his assessment be not over-ruled by the medical advisors at head office. We feel that the local medical examiners are not allowed sufficient latitude with regard to estimating disabilities, where based on subjective symptoms. I have one case very clearly in mind, that of a man suffering from defective hearing. Associated with that, which of course can be accurately determined by specialists, is a disability which consists of a ringing noise in the head. This is seriously aggravated when he accepts employment at his former occupation in the shop. This man has been compelled, through this disability, to seek employment at a remote point in a quiet district under the Parks Branch, where his remuneration is very low indeed. There is no evidence in the world, nor can any be produced, as to the extent of that disability, except the man's own statement. The specialists who have examined him state they are quite convinced that his statements are genuine, but nevertheless this man cannot persuade the Pension Board examiners to pay any pension whatever on account of this particularly depressing disability, which has seriously interfered with the man's employment. It is even a more serious disability than the actual loss of hearing. We ask that more adequate reimbursement for, loss of wages or salary in attending pension medical examinations be provided. There is a great deal of abuse in this regard. The Pension Act makes provision for transportation, subsistence, and lost wages. As the matter now stands, the pensioner does not begin to recover what it cost him; the allowance is wholly inadequate. The question now is also the reimbursement of expenses of men attending meetings of the Federal Appeal Board. As I pointed out, the section originally dealing with this matter was omitted, but it dealt only with successful applicants. It has been pointed out—and we believe the contention is weighty—that in some provinces men were required to attend before the Federal Appeal Board from a distance of 100 or 150 miles, from points where they are not in contact with officers of the department, or in some instances, even with medical

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men. These men must undertake to pay their own expenses, and run the risk of subsequent reimbursement. We suggest that discretionary power should be vested in the Federal Appeal Board in such cases, to make actual payment of expenses in all instances, where the man has been required to appear before the officials of the Board, at the request of the Soldiers' Advisor. We ask that more reasonable allowance be made for faulty documentation in instances where inaccuracy or omissions in documentation may convey an incorrect description of the condition of the applicant, of his statements, or of the circumstances of the origin or aggravation of the disability. To show how faulty these documents are, there is absolutely no entry on file of a man's service in France, not a single entry, though it is known to many of the officers personally that the man did serve in France. We feel that the absence of documentation should not operate to the disadvantage of the applicant, but that more proper provision should be made for the acceptance of corroborative evidence.

It is suggested that the procedure be amended as to require the Department to undertake full investigation with regard to the statement of claim made by the applicant and that the burden of this responsibility be assumed by the Department entirely as regards dependents, and that at all times the applicant definitely be given the benefit of any reasonable doubt established. We submit that the burden of proof should be shifted to the Department. It may be objected that if this is done, some years hence any ex-service man may be able to establish a claim to pension. But the Department should not have the opportunity of taking advantage of any reasonable doubt as to a claim. It is believed that the interests of the applicant would be fully preserved if the Department would assume a larger measure of responsibility in regard to the investigation of the circumstances related by the applicant in his effort to establish his claim.

The ACTING CHAIRMAN: It is one o'clock and the question is whether we should adjourn. Mr. MacNeil has not yet completed his evidence, I understand, and we are still to hear Mr. Hind.

By the Acting Chairman:

Q. The suggestions you have not dealt with are embodied in the documents you have here?—A. Yes, sir.

Mr. CALDWELL: Why not have these printed in to-day's proceedings? We are to have the benefit of Mr. MacNeil's advice before the sub-committee. Would that be satisfactory, Mr. MacNeil?

WITNESS: Yes, sir.

The ACTING CHAIRMAN: If it is the will of the Committee we will have these suggestions embodied in the report without being read. We will hear Mr. Hind at our next meeting and then proceed to discuss our report, unless further evidence is called for. Mr. MacNeil, of course, or any other members of the Association, or indeed any man, any of the officials of the Department or of the men's organizations, will be at our disposal if we wish to call upon them in the discussion of our report.

WITNESS: I would like an opportunity to introduce the members of the delegation who are present to the Committee.

The ACTING CHAIRMAN: I think it would be the desire of the Committee, and only courteous to at least officially meet the delegation.

Further suggestions offered by Mr. MacNeil are as follows:—

“That in all instances of applications for medical treatment, where it is considered that medical treatment or institutional care would not be advantageous, the applicant be fully advised as to the reasons therefor in writing.

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"That any application for treatment be automatically considered as an application for pension before rejection is authorized.

"That duplicates of all documents on Unit Office files be placed on the files in all sub-unit offices.

"That proper entry be made on the file of the individual in every instance of treatment under the direction of a medical representative of the Department.

"That more adequate safeguards be provided to prevent any error of diagnosis of V.D.S. and that less severity be exercised in estimating the degree of pensionable disability when V.D.S. is accompanied by other diseases.

"That P.C. Order in Council 4432, Dec. 29th, 1921, as amended by P.C. 2247 dated the 27th of October, 1922, be extended for five years."

The members of a delegation representing the ex-service men of Canada were introduced by Mr. MacNeil, as follows:—

Dr. W. D. Sharpe, Dominion President.

Col. Jas. McAra, Dominion First Vice-President.

Col. C. E. Edgett, British Columbia.

Mr. Alex. Walker, Alberta.

Major M. A. Macpherson, Saskatchewan.

Mr. A. E. Moore, Manitoba.

Mr. P. G. Rumer, Manitoba.

Dr. D. A. Volume, Ontario.

Capt. W. W. Parry, Ontario.

Mr. Cunningham, Quebec.

Major Priestman, New Brunswick.

Mr. H. F. Hamilton, Nova Scotia.

The CHAIRMAN: The chief witness to-morrow will be Mr. Hind of the Tuberculosis Association, who has been here for some time. We will hear Mr. McQuarrie, having warned him to be exceedingly brief, and we shall hear, as far as possible, each of the members of this delegation, whom we are glad to welcome here. They themselves, knowing the circumstances, and knowing our anxiety to bring remedial legislation forward, will govern themselves accordingly. We will give them all the time possible, and we will consider their suggestions as fairly as possible, and they themselves will have to set the order in which they would like to speak to us. So the order of the day will be, as far as I can understand it, Mr. Hind will be the chief witness, then these gentlemen representing this delegation, and then Mr. McQuarrie.

The Committee adjourned.

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Suggestions submitted but not read:—

RE-ESTABLISHMENT, PENSIONS AND MEDICAL TREATMENT

1. *Suggestion.*—That the Board of Pension Commissioners be prohibited from discontinuing or suspending the pension of a widow on the ground of immorality, unless it can be shown that such widow is living openly and continuously, in the relation of man and wife, with a person to whom she is not married; and then only when such alleged offence has been satisfactorily proven by evidence taken on oath before a duly appointed Appeal Board constituted for such purpose, and when the pensioner concerned has been given the right to be represented before such Board by any advocate she may choose.

Argument.—At the present time there is a tendency to exercise judgment under Section 40 without proper examination of the facts. As so much depends on any decision in this regard, less severity should be shown and pension should be suspended only after some judicial procedure, such as outlined above. It is noteworthy that an amendment was advanced by the Pensions Board, during the session of the House of Commons, 1922, proposing to add the words “or who is immoral” to this section. The amendment was rejected by the House.

2. *Suggestion.*—That Section 33 (1) be amended as to enable payment of pension to all widows, who married subsequent to the appearance of disability, and within the period of one year after discharge.

Argument.—It is the contention of the Pensions Board that as this section now reads, no latitude is permitted. No distinction is made allowing recognition of disabilities “incurred” on service, which later and subsequent to marriage “became apparent.” Many of these widows have children and are at present in destitute circumstances. In the majority of instances, marriage was consummated in fulfilment of a marriage contract before enlistment. Many married without the knowledge of the existence of the disability. Any anticipated exploitation of this proposed amendment would be effectually prevented by the time limit suggested.

3. *Suggestion.*—That all widows or guardians be advised directly and opportunely as to the provisions of Section 23 (h) of the Pension Act.

Argument.—In comparatively few instances have the benefits of this section been extended to children, desirous of following their secondary educations. This is largely due to the fact that the parents or guardians have not been made familiar with this provision. It is submitted that parents should be advised at the time the children reach the ages, mentioned in the Act, as to the possibilities of educational aid.

4. *Suggestion.*—That no deduction be made from pensions of dependent widowed mothers, and that the provisions of Section 34 (7) be extended to include all widowed mothers and include also a parent or person in place of a parent.

Argument.—Too great severity has been evident in the deductions from the pensions of dependent widowed mothers in respect of income and contributions from other children. Furthermore, although no deductions of earnings are made from the pension of a widowed mother dependent at the time of death of the soldier, a deduction in this respect is made from the pension of a widowed mother, who subsequently falls into a dependent condition, and also from a parent or person in place of a parent. It is felt that once dependency is recognized no discrimination should be shown as regards earnings. Such a policy tends to place a premium on idleness.

5. *Suggestion.*—That the allowances for children be consolidated as to enable discretion in apportioning as circumstances may warrant.

Argument.—At the present time, allowances are made in fixed amounts for the first, second, and third child. It is believed that it would be advantageous to fix these allowances as being \$15 or \$30 for the first child or orphan and \$27 and \$54 for two children or orphans, etc. This would enable equalization of allowances, when the children are placed in separate homes.

6. *Suggestion.*—That on the remarriage of a widow, provision be made for reinstatement to pension should her second husband die within a period of five years from date of remarriage.

Argument.—Many instances have occurred where, in a remarriage, a widow has lost her second husband and, by reason of remarriage, has forfeited her rights to pension. It is submitted that to avoid hardship an opportunity for reinstatement should be permitted within a reasonable period.

7. *Suggestion.*—That following the remarriage of a widow, with children, the children be awarded orphans' rates at the expiration of a period of one year after such remarriage.

Argument.—Upon remarriage a bonus of one year's pension is paid and allowances for the children at the usual rates are continued. It is submitted that, at the expiration of the period covered by the bonus, orphans' rates should be paid in respect of the children as they virtually occupy the same status as orphans in relation to the State, and in the majority of instances this provision is required to ensure their proper maintenance.

8. *Suggestion.*—That in all instances of tertiary symptoms of V.D.S. appearing at the time of discharge or soon after, aggravation from service be assumed and pension continued accordingly.

Argument.—This suggestion is advanced with the object of relieving a great deal of hardship that has become evident under the present practice. It is more reasonable to assume that service almost invariably brings about an aggravation of this disability.

9. *Suggestion.*—That widow's pension be awarded in instances of desertion of wives, where the pensioner was suffering from a mental disturbance as a result of service.

Argument.—The reason for this suggestion is obvious. Desertion is usually due to the mental aberration and compensation therefore should be extended to the dependents as though the pensioner has died.

10. *Suggestion.*—That an allowance equivalent to the widow's pension or the wife's allowance be awarded in respect of an elder daughter, who may assume the responsibility of caring for the younger members of the family in the event of the mother's death.

Argument.—This advocates for more leniency in respect of the application of Section 24 (7) and that similar provision be made where the elder daughter assumes the care of the younger children upon the death of both parents. There are very few cases where this would apply, and in such cases, it is undoubtedly preferable that the members of the family should remain together.

RE-ESTABLISHMENT

11. *Suggestion*.—That Section 47 and Section 2 (P) be so amended as to enable payment of the supplementary pension in Canada to the dependent parents of a deceased member of the Imperial Forces previously domiciled in Canada. Section 2 to read “And shall also include a mother whose husband has become incapacitated.”

Argument.—According to the interpretation now placed upon the Pension Act, supplementary pension, in respect of former members of the Imperial Forces, is awarded only to the widows, widowed mother, and children. Many instances have arisen where the pensioner has assumed the responsibility of maintaining dependent parents. In such cases, the same consideration should be given as in respect of a widowed mother.

12. *Suggestion*.—That Sections 33 (2) and 23 (5) be so amended as to remove the time limit of five years and establish the pensionability of the dependents of the class of pensioners specified in the event of death from any cause at any time.

Argument.—The reasons for this suggestion are obvious. At the present, in the instance of death within the period of five years from discharge, the dependents become pensionable provided they are eligible under Section 33 (1). The reasons which originally justified this section still obtain. It is practically impossible in the case of a man 80 per cent disabled or over to disassociate the disability from the primary cause of death.

13. *Suggestion*.—That Section 31 (3) be so amended as to provide for an allowance equivalent to the wife's allowance for a widowed mother dependent upon the pensioner.

Argument.—Under the recent amendment, the allowance formerly available was reduced. It is submitted that if a pensioner is required to support his widowed mother wholly adequate provision should be made therefor in a degree equivalent to the aid, which would be afforded him in supporting a wife.

14. *Suggestion*.—That the widow of an ex-member of the forces, whose death is attributable to service, shall if she was, at the date of marriage, in receipt of pension in respect to a deceased former husband, be reinstated to such pension with effect from the date of last marriage.

Argument.—If a widow marries an ex-service man and thereby forfeits her pension, she cannot be described as a pension hunter and should therefore be freed from the restriction as regards those who marry after the appearance of the disability, or that as suggested she be reinstated as she would be bereaved in both instances, through the fatal termination of a war disability.

SUGGESTIONS AS TO ANY IMPROVEMENT IN THE METHOD OF PROCEDURE WHEREBY CANADIAN EX-SERVICE MEN MAY APPLY FOR PENSIONS AND MEDICAL TREATMENT.

1. *Suggestion*.—That the table of disabilities and pension and medical treatment regulations be published and made available to all ex-service men and their dependents.

Argument.—A great deal of misunderstanding and dissatisfaction has arisen by reason of the fact that ex-service men and their dependents have not been given the opportunity of becoming familiar with the regulations and their rights under existing legislation. A table of disabilities was prepared in 1917

and has never been given general circulation except in Parliamentary journals which are not easily accessible to claimants. It would be very beneficial if the custom followed in the United Kingdom were established in Canada, of issuing hand-books with full information.

2. *Suggestion.*—That definite instructions be issued providing that an entry be made on the file of the individual concerned at the time of each application for pension or medical treatment or of complaint, and that the reason for rejection be similarly recorded.

Argument.—It is believed that ex-service men frequently come in contact with the departmental organization with claims and are summarily rejected by officials not competent to render decisions. The necessity for the safeguard suggested arises largely from conditions apparent at points distant from the Unit Office. This suggestion is also important as frequently such entries are necessary to establish continuity of disability upon subsequent incapacity.

3. *Suggestion.*—That upon application for medical treatment and in the case of serious illness, treatment be immediately extended in all instances where prima facie evidence as to attributability is produced pending receipt of documents from head office or other units.

Argument.—This provision becomes necessary because of the needs of men whose employment requires them to move from district to district. If an ex-service man presents himself at any Unit office and reasonably establishes that his condition is related to war service, treatment should be extended without delay. Without this provision men frequently are required to wait several weeks pending receipt of the necessary departmental documents.

4. *Suggestion.*—That the procedure be amended to enable medical examination for pensions in the absence of documents in all instances where the employment of the pensioner necessitates such arrangement.

Argument.—As in the above suggestion, this provision is necessary to meet the need of transients. It is believed that many men have encountered difficulty and have even suffered discontinuance of pension because of the inability to await examination at a district office when the documents were not available.

5. *Suggestion.*—That a medical examination be held as a matter of right in the instance of every application for medical treatment or pension and that the applicant be not required to secure completion of Form 819 for this purpose.

Argument.—It is believed that the object of the form is to protect the Department from applications that upon investigation have no foundation. This form is of no value whatever when attributability is under dispute. It is of little value in any dispute as to assessment, as the practitioner completing the same merely reports the statements of the applicant. According to present regulations the expense of securing the completion of Form 819 is borne by the applicant and if his claim succeeds he is refunded this expense by the Department. If at any time the applicant shows reasonable grounds for examination, such should be immediately arranged. The chief objection raised by the Departmental officials to this proposal is that some such evidence is required to avoid needless expense in respect to applicants residing at points distant from the Unit office. The interests of the Department could suitably be safeguarded by an arrangement with the local medical representative.

6. *Suggestion.*—That the claimant for pension be notified in all instances in writing of the decision or recommendation given by the medical examiner and that in the event of an adverse decision, instruction be given as to the points upon which further evidence is required to establish the claim.

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Argument.—It is found in a large number of instances that the applicant is not advised of the District Office's recommendation. This is usually due to the fact that the District Office must await receipt of the specialist's report before deciding upon the recommendation and usually neglects to write to the applicant. It is particularly important that the applicant should be advised of the reasons prompting an adverse decision. Only with this information can he exercise judgment as to the advisability of appeal. This advice should include instructions as to the nature of evidence required to establish the claim.

7. *Suggestion.*—That eligibility be determined in strict accordance with the provisions of P.C. 580 which accepts responsibility for disabilities incurred on or during service.

Argument.—Frequently Unit Offices render decisions with regard to eligibility which require it to be shown that the disability is due to or aggravated by service. In such cases the test as to eligibility is much more strict than the test laid down in the Order-in-Council. It is urged that the "Insurance principle" be maintained and that explicit instructions be laid down in this respect at the earliest possible date. In P.C. 580 attributability to service is defined as follows:—

"A disability attributable to service means the loss or lessening of the power to will or to do any normal, mental or physical act recognized by Medical Authority to be the result of an injury suffered or a disease contracted (other than those resulting from vice or misconduct) on service, or to be the result of an injury or disease either aggravated in a theatre of actual war or aggravated by service outside a theatre of actual war.'

8. *Suggestion.*—That Eligibility Boards in the Unit Offices of the D.S.C.R. be constituted of one medical man and two other members of the Departmental Staff not of the medical profession but with experience in industrial conditions.

Argument.—Decisions as to eligibility cannot be determined solely upon medical opinion. Eligibility is a question of law, fact and medicine. These Boards have full opportunity of consultation with members of the Medical Branch, but if constituted as suggested, the applicant would be assured that his case would receive consideration from points of view other than those purely medical. The suggested change in the constitution of these Boards would, it is believed, bring about a more judicial attitude towards claims and would eliminate to a great extent the possibility of disputes.

9. *Suggestion.*—That in the event of disagreement among the members of a local Eligibility Board, such disagreement be accepted as establishing reasonable doubt and that the benefit of such doubt be extended to the claimant.

Argument.—The present practice is that these cases are forwarded to Head Office for decision without any recommendation. It is submitted that the local Board is in a much more advantageous position to reach a decision than Head Office, inasmuch as the applicant has been personally examined. If after examination of the applicant and a review of the evidence, some members of the Board believe that attributability has been established a reasonable doubt must exist.

10. *Suggestion.*—That the decisions of local Eligibility Boards be not over-ruled by Head Office until after reference back for further consideration and only in instances where it may be shown that palpable or obvious errors in the matter of entitlement have occurred.

Argument.—The Unit Offices are equipped with sufficient medical staff including specialists in all branches of the profession. The Local Eligibility Board has the opportunity to call into consultation a specialist when the circum-

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stances warrant. Furthermore the Board has the advantage of personal examination of the man. It is submitted therefore that the only reason for review at Head Office would be to check as regards errors in the matter of entitlement. If, in the opinion of Head Office, no entitlement exists, the case should be then referred to the Local Eligibility Board. The applicant should be notified of the time and the place of the holding of such Board and should be entitled to representation in person or advocate. If after considering the objections, the Eligibility Board should decide in favour of the applicant or should be unable to reach a unanimous decision, then the applicant should be automatically considered eligible.

11. *Suggestions.*—That the administrative activities and regulations of the D.S.C.R. and B.P.C. be so co-ordinated as to enable decisions upon the question of attributability for pensions and medical treatment to be made by the same departmental organization and with consistency.

Argument.—Under existing procedure an ex-service man may establish attributability for medical treatment with pay and allowances and subsequently be required to again establish attributability with regard to pension before the Pensions Medical Examiners. Two distinct organizations deal with the same disability on this score. Very often an ex-service man is found eligible for treatment with pay and allowances by the D.S.C.R. and not eligible for pension by the B.P.C. in respect of the same disability. It is believed that a great deal of dissatisfaction would be eliminated if the matter of attributability were decided upon in the first instance for both medical treatment and pension. The regulations of the D.S.C.R. could be brought into conformity with the Pensions Act in this respect and suitable provision could easily be made allowing discretion to the Department where treatment would be desirable even though attributability is not definitely indicated. More satisfactory co-ordination of the work in this regard will eliminate a large number of examinations, effect economy in the matter of administration and remove the anomaly described. The one Eligibility Board, as previously outlined would serve to establish entitlement in all instances.

12. *Suggestion.*—That greater weight be given subjective symptoms in estimating the degree of disability and that recommendations of a District Office Eligibility Board in respect of his assessment be not overruled by the medical advisers at Head Office.

Argument.—Under the present procedure the District Office Medical Examiners are not allowed sufficient latitude in estimating disabilities based on subjective symptoms. Such recommendations are usually overruled by Head Office because of the absence of objective symptoms. It is believed that this policy has resulted in a great deal of hardship in many deserving cases of men incapacitated by reason of disabilities, without manifest pathological conditions.

13. *Suggestion.*—That the regulations be amended as to enable an ex-service man or his advocate upon cause for complaint or appeal to gain access to his file and records.

Argument.—It is believed that a man is entitled to peruse anything that is placed on his file and that any such information should not be regarded as confidential in so far as he is concerned. This provision would enable a man to correct any errors of documentation and definitely determine what ground exists for appeal or complaint. This would tend to reduce the number of appeals and would undoubtedly result in more efficient documentation. In the case of widows or dependents the file of the deceased soldier should be open to inspection by a duly appointed advocate.

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14. *Suggestion.*—That more adequate reimbursement for loss of wages or salary in attending pension medical examinations be provided.

Argument.—The Pensions Act makes provision for transportation, subsistence and loss of wages. As the regulations now stand a pensioner does not secure adequate reimbursement for loss of time from employment. The regulation provides for a maximum of \$5 per day in addition to transportation. Deductions are made from this amount for sleeping berth and on account of maintenance at any institution. The maximum subsistence allowance is \$3 per day of 24 hours and the maximum reimbursement for loss of wages is \$2 but the full amounts are seldom paid and if paid would be wholly inadequate.

15. *Suggestions.*—That more reasonable allowance be made for faulty documentation in instances where inaccuracy or omissions in documentation may convey any incorrect description of the condition of the applicant, of his statements, or of the circumstances of the origin or aggravation of the disability.

Argument.—This suggestion applies, in the first instance, to entries with regard to weight or debility. Instances have been known where entries were made of weight solely upon an estimate. Subsequently these entries became of importance in order to determine the degree of debility. In other instances the man suffered injuries or contracted diseases which because of unusual circumstances were not recorded. In all such cases evidence of a corroborative character should be given greater weight. An incomplete or faulty documentation should not be allowed to deprive an applicant of the benefit of any reasonable doubt.

16. *Suggestion.*—That the procedure be amended as to require the Department to undertake full investigation with regard to the statement of claim made by the applicant and that the burden of this responsibility be assumed by the Department entirely as regards dependents, and that at all times the applicant definitely be given the benefit of any reasonable doubt established.

Argument.—It is frequently advocated that the burden of proof should be shifted to the Department. If this is done it may be objected that some years hence almost any ex-service man may be able to establish a claim for pension. Furthermore it is argued frequently that if the onus is placed with the Department, the Department should also have the opportunity of taking advantage of any reasonable doubt as to the validity of the claim. It is believed that the interests of the applicant would be fully served if the Department would assume a larger measure of responsibility with regard to any investigations that may be necessary in the circumstances related by the applicant in an effort to substantiate his claim. Furthermore, in view of faulty documentation during the period of service, the applicant should be given the benefit at all times of any reasonable doubt. Officials of the Department should be definitely instructed as to methods of determining such reasonable doubt.

17. *Suggestion.*—That in all instances of applications for medical treatment, where it is considered that medical treatment or institutional care would not be advantageous, the applicant be fully advised as to the reasons therefor in writing.

Argument.—Frequently men are refused medical treatment, and are not advised as to the reasons upon which such decision is based. Frequently it occurs that the disability is admitted by the medical staff of the department but that it is not considered that medical treatment would be of avail, even though the disability may be attributable. To prevent any misunderstanding, a full explanation should be tendered the applicant.

18. *Suggestion.*—That any application for treatment be automatically considered as an application for pension before rejection is authorized.

Argument.—Under the existing procedure it is possible for an ex-service man to make application for medical treatment and have same refused in such a manner as to convey the impression that this decision also determines attributability in respect of pension. All such applications should be carefully scrutinized by the pension authorities before final disposition.

19. *Suggestion.*—That duplicates of all documents on Unit Office files be placed on the files in all sub-unit Offices.

Argument.—Complete documentation on the individual files in the sub-unit office is particularly necessary in order to obviate delays and that pensioners may upon attendance at such office be given full information.

20. *Suggestion.*—That proper entry be made on the file of the individual in every instance of treatment under the direction of a medical representative of the Department.

Argument.—Instances have arisen where treatment has been given by a medical representative of the D.S.C.R. without entry being made on the file. It is particularly necessary that the procedure be amended to make certain of such entry as in many instances this evidence is required to prove continuity of disability. It is further submitted that this would tend to eliminate any oversight with regard to pensionability or attributability.

21. *Suggestion.*—That more adequate safeguards be provided to prevent any error of diagnosis of V.D.S. and that less severity be exercised in estimating the degree of pensionable disability when V.D.S. is accompanied by other diseases.

Argument.—It has frequently occurred that a diagnosis of V.D.S. has been given in error. To prevent this it is believed that tests should be more carefully carried out. Furthermore there is a tendency to attribute to the presence of V.D.S. other disabilities that may be present, and that may have been caused by service.

23. That P.C. Order in Council 4432, December 29, 1921, as amended by P.C. 2247, dated the 27th of October, 1922, be extended for five years.

HANDICAPPED MEN, PENSIONS AND MEDICAL TREATMENT

1. *Suggestion.*—That in all instances where 'treatment only' admission to hospital is recommended, provision be made for pay and allowances to dependents in necessitous circumstances.

Argument.—Usually those admitted to the institutions of the Department as 'treatment only' cases have established some doubt as to attributability. This doubt should at least make the dependents eligible for allowances until a decision has been definitely made by the Department. Frequently men are held in Sanatoria or Hospitals for an extended period during the discussion of the merits of the case between the Unit Office and Head Office. In the meantime the dependents are thrown upon public charity. This condition should be remedied.

2. *Suggestion.*—That the table of disabilities be revised by a Committee of experts including qualified representatives from organizations of ex-service men having special regard to multiple disabilities, facial disfigurement, repulsive disabilities, prohibition as to employment and the basis of estimation as to impairment of earning capacity on the general labour market.

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Argument.—This table of disabilities was prepared in the year 1917 and with the exception of minor changes has not undergone any revision in the light of added experience. At the outset it was explained that the estimate of the degree of disability was based on the loss of earning capacity as determined by the requirements of the general labour market. Just what was meant by 'general labour market' was never clearly explained. More recently the theory has been advanced that the estimate as to degree of disability is determined by a comparison of the crippled men with a normal man of the same age with some consideration of the prohibition placed upon him in respect of employment. This basis of estimation is also obviously unfair, particularly, with regard to ex-service men discharged over age but who were physically fit at the time of enlistment. One basis of estimation is employed in regard to the man at the time of enlistment and quite a different basis is employed at the time of discharge.

The man whose disabilities total 100 per cent or more should automatically be awarded a total disability pension.

Greater allowance should be made for facial disfigurement or other disabilities which cause men to shun association with their fellows, also allowances for mutilation.

The disability rating should be fixed as to allow for acute discomfort and pain and for the requirements of a special diet or damage to clothing from artificial appliances.

3. *Suggestion.*—That a permanent minimum of pension be established whenever possible in instances where it appears that the disabilities are not likely to improve, in order that the pensioner may be freed from the inconvenience and uncertainty of frequent medical examinations.

Argument.—The reason for this is obvious. Many men were called up frequently for examinations without good reason. Whenever possible the initiative should be left to the man to report any increase of disability which may demand further consideration as to assessment. If this proposal is accepted, distinction should be made as from any system of final awards such as that which obtains in the United Kingdom. The responsibility should at all times be assumed for any post discharge progression of the disability.

4. *Suggestion.*—That in all cases where pension or treatment payments have been maintained continuously for two years from date of award, there shall be a conclusive presumption that such disability is attributable to, or incurred or aggravated by active service and no discontinuance shall be effected by reason of disputed entitlement.

Argument.—If entitlement is admitted and pension payment issued for a period of two years, the pensioner is led to place considerable reliance on the income from this source. He concludes that the pension is permanent and assumes financial responsibilities upon this basis. The period of two years allow ample opportunity for the discovery of any error and it is submitted that at the end of that time the Board should be stopped from denying pensionability.

5. *Suggestion.*—That in all instances of release from medical treatment, Class 1 patients be awarded a bonus of one month's pay and allowances.

Argument.—Under the present practice the Unit Director has the discretion to award one month's pay and allowances but this discretion is rarely, if ever, exercised. It is submitted that as in the majority of cases employment is not available, the suggested measure is necessary to avoid hardship and to enable satisfactory convalescence.

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6. *Suggestion*.—That upon the disappearance of disabilities, pension payments be not discontinued abruptly but decreased at not more than 10 per cent per month and that in the case of 10 per cent pensions, discontinuance be not given effect until 30 days after notice of such discontinuance.

Argument.—The reason for this suggestion is obvious and its acceptance would obviate considerable hardship now caused under the present practice which often causes sudden disruption of the family budget.

8. *Suggestion*.—That the right of appeal and opportunity of reinstatement be granted in all instances of final payment where the pensioner is able to demonstrate:—

- (a) An inaccurate estimate of the duration of disability.
- (b) An accurate estimate of disability.
- (c) Or increase of disability subsequent to final payment.

Argument.—When the amount of the final payment was determined an attempt was made by the medical examiners to estimate the probable duration of the disability. Any inaccuracy in this regard resulted in a considerable reduction in the amount of final payment. Furthermore, many men were compelled to accept final payment based on an estimate of disability considerably lower than that believed by them to exist. Others have experienced increase of disabilities subsequent to date of final payment and have found it exceedingly difficult to secure reinstatement. In all such instances, the men should be given the right of appeal and reinstatement should his appeal be sustained.

9. *Suggestion*.—That complete reimbursement be provided in all instances where medical expenses were incurred as a result of an adverse decision by the Department and where attributability was subsequently recognized.

Argument.—Instances may be cited where men applied to the D.S.C.R. for medical treatment and were refused recognition on the ground of non-attributability. They immediately sought medical treatment at the hands of an independent practitioner but renewed their representations to the Department. When attributability was subsequently recognized, the Department undertook to reimburse only at the tariff rate set by the Department without allowances for the additional charges usually imposed upon the invalid. It is believed that as a man was compelled to seek outside aid by reason of an error by the Department, full responsibility for expense in this regard should be assumed.

10. *Suggestion*.—That in the estimation of pre-enlistment disability no rating shall be made unless and until evidence of some person or persons having knowledge of the facts at the time of enlistment is secured.

Argument.—Pensionability is in certain instances, determined by the degree of aggravation suffered during service. This applies to men who did not reach the actual theatre of war and in instances of men who did reach an actual theatre of war with a pre-enlistment disability which did not show progression or become aggravated during service in a degree that was apparent. The degree of aggravation under the existing practice is really determined by a process of deductions based on the condition of the man as found at the present time. It is submitted that there is a prima facie presumption in favour of the man that the disability on enlistment was negligible as he was accepted as A-1, and for this reason the existence of a pre-enlistment disability and the measure of the same should require evidence of a very conclusive nature.

11. *Suggestion*.—That Section 13 be eliminated from the Pensions Act and that no time limit be fixed for the consideration of claims for pension.

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Argument.—If it is held that Peace was declared during August, 1921, the rights of all ex-service men under this Act will expire on August, 1924, in respect of claims not filed. In view of the confusion which has arisen in regard to the interpretation of certain sections of this Act, it is considered that such a time limit would be grossly unfair and would unjustly deprive many men of the opportunity of advancing their legitimate claims. It is further submitted that no good reason exists for any time limit with regard to applications under this Act, as in all instances it will be necessary to relate the disability or death to service.

12. *Suggestion.*—That the words “was not of a nature to cause rejection from service” be deleted from Section 25 (3) of the Pension Act.

Argument.—The meaning of this clause of the Section is not clearly understood and it is obvious that it may be interpreted in such a way as to practically nullify the intention of this Section. Its deletion would not materially alter the present practice but would effectively prevent any misunderstanding that might ultimately arise.

13. *Suggestion.*—That Section 17 of the Pension Act be amended as to ensure at least part payment of pension upon release from prison.

Argument.—It is felt that an unjust discrimination is shown ex-service men by cessation of pension payments during incarceration. Pension payments are awarded as compensation in respect of a disability. Furthermore, it is frequently noted that ex-service men are released from prison without funds and are thus further handicapped in any effort to reform.

14. *Suggestion.*—That all ex-service men who, on discharge were suffering in a measurable degree from the effects of old age, be awarded, in respect of such disability, pension or medical treatment with pay and allowances, and that pension be continued under Section 25 (1) in accordance with the degree of disability.

Argument.—Under the present practice no recognition is given old age disabilities though it is safe to assume in the majority of instances that serious aggravation occurred during service. If a man were accepted as physically fit, and rendered the service required of a physically fit man, the incapacity evident at the time of discharge should be pensioned. It is further submitted that Section 25 (3) makes statutory provision in this regard. Such disability should be treated in exactly the same manner as any other disability incurred during service. Furthermore, a revised pension policy in this regard would achieve a most satisfactory solution of the problem of quite a large percentage of the class described as handicapped.

15. *Suggestion.*—That disabilities incidental to or consequential upon service disabilities be deemed attributable to service.

Argument.—Claims of a very deserving nature are now advanced in respect of disabilities which originated because of the service disability though presenting a pathological quite different from that originally manifested. This need arises most emphatically in regard to amputations where the pensioner in his attempt to adapt himself to the use of artificial limbs precipitates other disabilities.

16. *Suggestion.*—That pay and allowances be continued upon release from sanatorium until pension award has been determined.

Argument.—The delay which often occurs under the present practice works a serious hardship upon many men suffering from T.B. and very often compels their return to sanatorium; The Pension authorities usually require a con-

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siderable period to decide upon attributability and do not usually accept the recommendation of the sanatorium expert in this regard. This suggestion is in accord with a previous recommendation of a Parliamentary Committee and has not yet been given effect.

21. *Suggestion*.—That pension be not discontinued under any circumstances until reasonable time has been allowed the pensioner to register an appeal if so desired.

Argument.—If pension is once awarded and subsequently discontinued whether in regard to entitlement or assessment of disability it is safe to assume that reasonable doubt exists as to the merits of the claim of the pensioner for more favourable consideration. It is but fair that the decision be not given effect until the pensioner has had reasonable opportunity to determine the **ground for appeal**.

22. *Suggestion*.—That pension be not discontinued because of cessation of aggravation.

Argument.—If a disability is once recognized as being attributable to service either in whole or in part pension should be continued without any attempt to measure the duration of the aggravation. It is believed that the aggravation remains while the disability remains in any degree.

HANDICAPPED CASES

23. *Suggestion*.—That the Pension Act and the Table of Disabilities be so amended as to enable payment of total disability pension to all those whose disabilities are estimated as 80 per cent or over.

Argument.—This practice is followed in a number of the countries in Europe. It is usually found that if a man is 80 per cent disabled he is wholly incapacitated from the standpoint of employment; and is, therefore, entitled to maintenance at the same rate as a totally disabled man.

24. *Suggestion*.—That the benefits of the "helplessness allowance" be extended to those who, by reason of the nature of their disabilities, are required to diet themselves.

Argument.—Many men are released from treatment with the emphatic injunction to live on a special diet. No provision is ever made for the extras thus specified and it is submitted that some reasonable allowance should be made in each instance of a medical recommendation for special diet.

25. *Suggestion*.—That greater weight be given the reports furnished by consulting specialists.

Civil Service Employment.

CENTRAL COMMITTEE OF CIVIL SERVICE VETERANS POLICY

1. *Reduction of Staff*.—That immediate provision be made to the effect that any O.A.S. employee who is occupying a position in the Civil Service, and who has been continuously occupying such position satisfactorily to the Department for at least one year, shall be considered as qualified for permanent appointment, and shall be dealt with as permanent employees during reduction of staff, and shall be given precedence over all other candidates in the filling of permanent vacancies throughout the Civil Service, regardless of the fact that they have not previously qualified by examination.

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2. That the O.A.S. preference be made applicable to compulsory retirements from the Civil Service and the enlisted services.

(a) That, in case of compulsory retirements in the interests of economy and efficiency such retirements be governed by the same principle of priority as that ruling in the case of original appointment.

(b) That for this purpose the rule of seniority be suspended, but that the principle of efficiency be made the governing factor in deciding cases, and the following order of preference be observed;

(1) Pensioners. (2) O.A.S. Men and Women.

(3) Civilians appointed prior to August 4, 1914.

(c) That the interpretation of the term 'O.A.S.' preference mentioned herein shall be in accord with the definition and interpretation of that term in the Civil Service Act, which includes members of the C.E.F. who did not leave Canada but who are in receipt of disability pensions.

(d) That rating as to efficiency, as mentioned in clause (b) above, be subject to appeal to the Audit Board or other duly authorized body and that an ex-service man be appointed to such body.

3. That competitive examinations for any vacancies that may occur in the Civil Service be limited with the O.A.S. preference to those who have been released because of reduction of staff or those who are still in the employ of the Civil Service and that such vacancies be not generally advertised for competitive examination until it may be certified that qualified candidates were not available, under the foregoing procedure.

Appointments.

1. That the present O.A.S. Preference be retained as regards appointments to all vacancies in the Civil Service.

2. That the Civil Service Commission be given statutory authority to constitute a Disabled Soldiers' Placement Board, representative of the Civil Service Commission, the Department of S.C.R., the Labour Department, Dominion Veterans' Alliance and the particular Department interested, and, that upon the recommendation of such Board, the Commission shall have power to authorize exemption from any of the requirements of the Civil Service Act and of P. C. 1053 in respect of an ex-service man with pensionable disability, who may be found suitable by such Board for an appointment in the Civil Service; and that for such purpose the Department of S.C.R. be authorized to create a list of **ex-service men suffering from disabilities** who may be considered eligible for employment in the Civil Service, provided suitable openings offer.

3. That Clause (b) of P.C. 1053, as amended by P. C. 2633, which states that the preference extended by section 39 of the Civil Service Act, 1918, as amended, shall be observed, be more rigidly enforced.

General.

As reorganization and economy in the Civil Service may eventually require the necessary retirements from employment and the loss of the means of obtaining subsistence of many of those who offered all they possessed for the protection of Canada, it should be impressed upon the Government that:—

1. The problem of unemployment will thereby be intensified.

2. That re-establishment, as a problem of the Nation, must be revived.

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3. And that these men and women who may be deposed from their positions have a right to expect that the Government will take a lively interest in their placement in other fields of industry for the protection of themselves and their dependents.

UNEMPLOYMENT

Sheltered Employment.

Suggestions.

1. That the regulations be amended as to provide sheltered employment for a larger number of ex-service men of those classified as wholly unemployable, and that working conditions and scale of remuneration be adjusted as to insure proper standards of living.

2. That the scheme known as the Toronto Rehabilitation Plan be placed in immediate operation in all industrial centres throughout Canada.

3. That steps be taken to expedite the organization of handicapped sections in the Bureaux of the Employment Service of Canada in all industrial centres.

General Employment.

The following suggestions are offered as practical steps that might now be taken in anticipation of further unemployment.

1. That steps be taken immediately to adequately develop the facilities existing in the Employment Service of Canada, and to completely abolish private employment agencies.

2. That steps be taken to compel genuine co-ordination of the activities of the Employment Service and the Immigration Department.

3. That a survey be undertaken of the construction programmes of Municipal, Provincial and the Federal Governments and public utilities that steps may be taken to regulate operations as to provide employment during anticipated seasonal inactivity; that the excess cost of any midwinter construction be shared by the Federal, Provincial and Municipal authorities.

That steps be taken to regularize the purchasing by Federal, Provincial and Municipal Governments to permit of more uniform demand on the industries affected and thus equalize employment demands.

5. That provision be made for a suburban housing program in such manner as to stimulate employment in the building trades, and provide homes and supplementary income for workers in casual employment.

6. That when as a final alternative unemployment relief expenditure must be resorted to that such expenditure be made through a medium more closely related to the Employment Service, and that a standard of decent living; such expenditure to be shared by the Federal, Provincial and Municipal Governments.

WAR SERVICE GRATUITY

Suggestions.

1. That Order in Council P.C. 2219, dated November 3, 1923, be reappealed, and that payments of War Service Gratuity be continued to all those, whose claims may be substantiated.

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2. That notwithstanding the provisions of Order in Council P.C. 17, as amended by Order in Council 520, discretionary power be vested in the Department of National Defence to issue payments of War Service Gratuity to ex-members of the Imperial Forces, with former domicile in Canada, where any such claims appear to be deserving of consideration.

3. That Order in Council P.C. 404 be so amended as to enable the exercise of discretion with regard to payment of War Service Gratuity to ex-service men, alleged to have been guilty of desertion.



HOUSE OF COMMONS,

COMMITTEE ROOM No. 436,

THURSDAY, July 3, 1924.

The Special Committee appointed to consider questions relating to Pensions, Insurance and re-establishment of Returned Soldiers, met at 11.00 o'clock a.m., the Chairman, Mr. Denis, presiding.

The CHAIRMAN: Gentlemen, the Clerk has informed me that there is a quorum present, therefore we will proceed. I wish to offer my excuses to the Committee for my absence yesterday. I was kept practically all day before the Railway Committee of the Senate, and that is the reason why I could not attend the meeting of this Committee. Mr. McQuarrie, Member of Parliament for New Westminster, has expressed a desire to make a statement before this Committee. I have told him that we would be very glad to hear him. We know that Mr. McQuarrie is a thoughtful man, and any suggestions he may bring either before the House or this Committee are always mature and well thought out. I know it will be a pleasure for us to hear Mr. McQuarrie.

Mr. McQUARRIE: Mr. Chairman, in the first place I wish to thank you for according me the privilege of appearing before the Committee, and also for the kind remarks you have just made. I shall endeavour to be as brief as possible, because I know that you have a great deal of work to do. My reason for coming here is to urge upon you the advisability of recommending the extension of the jurisdiction of the Appeal Board, so as to give that Board the right to hear appeals as to the amount of pension. As I understand it—and I think it is perfectly clear—at the present time the Board has not that jurisdiction. Now, I know in British Columbia there are a number of pensioners who consider that their pensions are inadequate, and these men were under the impression that they would have the privilege of appearing before the Appeal Board and stating their complaints. They found, of course, that that was impossible: the Board had not the right to hear any such appeals, and consequently declined to do so. In my experience as a Member of Parliament, I have, naturally, run across certain cases. I am not going to endeavour to give them all to you, but I have three cases which I think illustrate fairly well the hardships which exist under the present situation. I would refer first to the case of ex-Gunner G. A. Hooser, No. 41520.

Mr. CARROLL: Is that his regimental number?

Mr. McQUARRIE: I think so; that is the way it is carried in all the correspondence with the Pension Board. He endeavoured to appeal to the Appeal Board, and was told that the Board had no jurisdiction, because there is no question of attributability; that had been recognized by the Board of Pension Commissioners. He is receiving a pension of \$39 per month for himself and family; he has a wife and two children. He was wounded in May 1916, a shrapnel wound in the head. He had two operations and, as far as I can see, at the present time has certainly not entirely recovered. He has never, since returning from overseas, been able to go back to his old work, and at the present time he is subject to fits, spells of fainting and that sort of thing, which apparently is something like epilepsy. They occur at irregular intervals, and have a very disastrous effect upon him. He has endeavoured to obtain employ-

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ment, particularly in the Civil Service, out there, the Customs or Immigration branches, or something of that kind; he has made a number of applications, but has always been refused employment on account of his disability. I took up his case—or perhaps continuing along the line of his present condition, I might say that he is not satisfied with the examinations which he has received from the medical department out there. They appear to intimate or indicate that he is fit to return to his work, but he claims that he has never been given a proper medical examination. I have in my hand a letter which was signed by a medical officer, Dr. F. D. Sinclair, of Cloverdale, B.C., which is dated May 5th of this year, and directed to the MacLean Lumber Company, Cloverdale.

"Re your letter of May 3, I have observed G. A. Hooser closely since his breakdown in September last. I do not consider he has recovered sufficiently to resume his former occupation."

Then there is another letter signed also by Dr. Sinclair and dated December 12th, 1923, in which he refers to this same man and says:

"Lessened grip in left hand. Wasting of muscular outer border of left hand.

Left wrist $\frac{1}{2}$ c.m. smaller than right wrist.

Apparent wasting of left foot, due to G. S. W. Head."

I have also reports, certified copies of reports certified by a notary public of British Columbia from two very eminent medical men in Chicago, and I might explain that this man, with the assistance of one of the benevolent societies of British Columbia, was furnished with funds to go to Chicago for the purpose of seeing these doctors, because one of them happened to have been the surgeon who performed the first operation on him in France. That doctor is Dr. Davis, and he is at the present time head surgeon for the Illinois Steel Company, surgeon at the County Hospital, consulting surgeon for the E.J.E. Railway, for the United States Fuel Company, Chicago, for the Milwaukee and St. Paul Railway, for the American Steel and Wire Company, for the American Bridge Company, for the American Steel and Tin-plate Company, and others. So that my statement that he is a very eminent medical man is quite justified. That doctor examined Hooser—I am not going to read the whole report because it would take too long to do so—but I may also explain that an X-Ray examination was also made and I have two of the films here which I will put in. These will show that there is still a piece of shrapnel in the man's head behind his left eye. There is a very deep wound in his forehead, a deep depression into which you can almost put your finger; and I know also that his lip is very badly injured; it looks like a hare-lip now. This doctor Davis performed the first operation on the man in France, and I have here also a letter from the director of the American Red Cross of Chicago. It seems that that Society is very much interested in this case, and this letter, which is directed to Ernest J. Swift, Assistant to Vice-Chairman in charge of foreign operations, American Red Cross, Washington, D.C. reads as follows:

"I am sure you will be glad to know that after hours of search we located the record of the above named man among those which Doctor George G. Davis had brought from Europe.

"Mr. Hooser's story was correct. Doctor Davis had been especially interested in his case and we find that he had asked for a copy of the record soon after the operation. Dr. Davis stated that he performed more than twenty-five hundred operations and brought to this country only one thousand records."

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That letter is dated January 18th, 1924. There is another letter from the same society dated May 3rd, 1924, in which they inquire how the man is getting on, and so forth. Doctor Davis, as I stated, gave him a very complete examination, and I have the full report of that examination here. As I have said, I am not going to read it, but if you would like to have it, I can turn it in. This is also certified by a Notary Public as being a correct copy.

The CHAIRMAN: That would not be necessary.

Mr. CARROLL: Just in a word, the Appeal Board refused to hear this man's appeal?

Mr. McQUARRIE: Yes, because they had no jurisdiction.

The CHAIRMAN: It is on the matter of assessment, and they feel they have no jurisdiction.

Mr. CARROLL: They said they had no jurisdiction to re-assess this man for more pension?

Mr. McQUARRIE: Yes, I have the letter here.

Mr. CARROLL: That is it in effect?

Mr. McQUARRIE: Yes, that is it.

Mr. CARROLL: Notwithstanding the fact that an eminent man had placed before the Commission the fact that he is in a position which perhaps they do not understand?

Mr. McQUARRIE: Well, yes, exactly. There can be no doubt that the man's condition is due to his war record. There is no previous record; there is no other reason at all. The attributability of his condition is, of course, admitted by the Pension Board.

Mr. CARROLL: Your point is that we should extend the powers and jurisdiction of the Appeal Board to hear such cases?

Mr. McQUARRIE: Yes, this man has no place to go except to a medical man. Doctor Sinclair, whose report I read, is the representative at Cloverdale, B.C., of the D.S.C.R.

The CHAIRMAN: Your statement is quite clear. The Board of Pension Commissioners have assessed this man too low in your estimation, and you state before the Committee that in a case like this there is no recourse, because the Federal Appeal Board has no jurisdiction?

Mr. McQUARRIE: Yes.

The CHAIRMAN: And in your opinion, the Federal Appeal Board should have jurisdiction to hear these cases?

Mr. McQUARRIE: Yes. This Doctor Davis certifies that in his opinion the man is suffering from traumatic neurosis which, of course, is a condition which should be taken care of. The man should be under observation. I have another report from another very eminent medical man, Dr. Lewis J. Pollock, who is professor of neurology at the Northwestern University, Chicago. He also made a very complete examination, and he certified that the condition is definitely related to the injury and he winds up by saying that he is suffering from traumatic neurosis, that the neurosis is definitely related to the injury, and that he is disabled and should be cared for. I shall say no more, but it seems to me that some error has been made. I have referred to the fact that he is unable to obtain employment. The doctors out in B.C. say that he should go back to work, and a proposition has been made to him. I have some correspondence here. I may explain that I took this case up with the minister, and I received a copy of a memorandum from the minister's secretary on the 22nd of April. I also received a copy of a memorandum from the Secretary of the

Board of Pension Commissioners signed by the Board of Pension Commissioners, dated April 19, 1924, referring to this man. It says:

"With reference to the attached correspondence, I am instructed to report that according to the last report of the medical examination of Mr. Hooser he is, in the opinion of the Board's medical Advisers, being pensioned fully in accordance with the extent of his disability. The examination referred to was carried out in February last. It is noted however, that Mr. Hooser has been taken on the strength of the Department under P.C. 2328 for a period of two months, and the question of pension will therefore be further considered when he is again struck off the strength of the Department."

Now, that was quite satisfactory to me, but upon taking the matter up with Dr. Proctor, who is the Unit Medical Director of the Department of S.C.R. at Vancouver, I was informed that no instructions to take this man on the strength had been received, and that, furthermore, owing to the fact that he is employable, as they put it, he does not come within the terms of the Order in Council, and cannot be taken on the strength. I thought that if they would take him on the strength and keep him under observation for two months, they would be able to come to a definite conclusion.

The CHAIRMAN: Do you know what percentage of disability this man was assessed at?

Mr. McQUARRIE: I do not know, but he gets \$39 a month for himself and two children, which of course, is not enough for him to carry on with. The man has tried to do something for himself, he has tried to get employment. He even went into the basket-making business, and tried to make a living out of that. You know what that means, it is impossible, at all events in our country, to make a living at making baskets.

Mr. CARROLL: Is it not a fact that after every three or four months a man has to be re-examined?

Mr. McQUARRIE: They have some kind of examination, it is true.

Mr. CARROLL: Have those facts that you have brought out, and which are rather startling, been brought to the attention of the Board who examined this man?

Mr. McQUARRIE: I think so, absolutely. It is just this, as far as I can see; I made the same statement in the House; there seems to be a tendency among the medical boards to keep down the amount of pensions. I do not know whether they got instructions to that effect or not, but the conclusion I have come to is that they have tried to keep down the pensions as much as possible,

Mr. CARROLL: Can you give us any evidence on that point?

Mr. McQUARRIE: No, except from my own experience. I am referring to these three cases, and I cannot see anything else to it, because the cases are to my mind, so absolutely clear that there can be nothing else to it.

The CHAIRMAN: You have said "I do not know whether they have received instructions or not." I need not tell the Committee that in my opinion no instructions whatsoever should be given, and I would be very much surprised if they had been given. My opinion is that no such instructions have been given, but, if it was within your knowledge that any such instructions were ever given, it would be your duty, I think, to advise the Committee at once, and the Committee would act on that.

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Mr. McQUARRIE: I made the same statement in the House in the presence of the Minister, and I noticed that the Minister did not contradict it or refer to it in any way.

Mr. CARROLL: But you have made a statement which is a very serious statement, and I think that if you have any evidence—we are here for the purpose of getting that sort of evidence and if the Pension Board are not doing well by the returned soldiers, we are here to remedy that.

Mr. McQUARRIE: I did not say that any such instructions had been given; I did not make that statement. I said I did not know whether any such instructions had been given or not; I said that I had come to the conclusion that they were endeavouring to keep down the pensions as much as possible. They seem to recognize the fact that something more than this pension is due to this man, because I find that after refusing to take him on the strength in accordance with the instructions of the Secretary of the Pension Board, they did write him a letter on the 8th of May this year which reads as follows. This is signed by the Unit Director, administration, D.S.C.R., J. Unit, Vancouver. It is addressed to Hooser.

“As the result of our investigation it has been decided to offer you a measure of relief pending your receiving information from the Civil Service Commission as to the outcome of your application for the position at Douglas.”

I can say that he did not get the position at Douglas. He was turned down for that position, which was in the examination service, because of his disability.

Mr. CARROLL: By whom is that signed?

Mr. McQUARRIE: By J. Hazlett, I think it is, for the Unit Director of Administration, D.S.C.R., J Unit, Vancouver.

“As the result of our investigations it has been decided to offer you a measure of relief pending your receiving information from the Civil Service Commission as to the outcome of your application for the position at Douglas.

Grocery Orders, therefore, at the rate of \$7.50 per week will be forwarded to you, and if you will send us the name of the firm on whom you want these orders, same will be forwarded to your address by return mail.

This is merely a temporary arrangement, and will hardly be extended beyond the period of one month.”

Mr. CARROLL: I think that letter should go in.

Mr. McQUARRIE: I will put it in.

Letter filed as exhibit.

Mr. BLACK (Yukon): I think the Committee is fully seized with the idea that the Board is opposed, more strongly opposed than they should be, perhaps, to the granting of pensions, and the Committee does not need any further evidence in regard to individual cases to show that. I think we have enough evidence along that line to enable us to judge whether or not legislation should be introduced to give the Appeal Board the required jurisdiction.

Mr. McQUARRIE: There is another matter—

The CHAIRMAN: Before you proceed any further, I think the point raised by Mr. Black is well taken.

Mr. CALDWELL: Is Mr. McQuarrie's other cases practically along the same lines?

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Mr. McQUARRIE: They are different cases, but they are illustrations of the same principle.

Mr. CALDWELL: For the same purpose?

The CHAIRMAN: The three cases you are citing now illustrate that these men have been assessed too low in the first place; secondly that there is no recourse open to them because there is no appeal on assessment. Is that it?

Mr. McQUARRIE: Yes.

The CHAIRMAN: I think we are pretty well satisfied in regard to these two points. There may be cases where they are assessed too low, and where they are assessed too low, there is no redress.

Mr. McQUARRIE: There is just one other letter that I wish to put in. It seems to me it contains an absurd proposition—a ridiculous proposition. You must remember that this man is unable to obtain employment. I think that has been definitely established. They say, "We will help you in some way"—

By the Chairman:

Q. That is still the Hooser case?—A. Yes. They say, "We will buy you groceries" and they admit right there that he is entitled to more than the \$39 pension. They say more than that, "We will do something else for you." Here is a letter dated May 8th, 1924, signed by the same man as the other letter, and reads as follows:

"Replying to your communication of May 6th with reference to the possibilities of Departmental assistance being granted you in an effort to secure suitable employment, I would again state that if you can make a proposition showing that a period of about two months' re-training would lead to suitable employment, same would be given consideration by this Department, in other words, you are placed in the position of being able to offer your services gratis for two months to any employer where there is a definite offer of employment on salary at the end of that period should you make good.

"You would thus have two months to demonstrate your capabilities and sincerity, also to acquire a knowledge of whatever work was required of you. The prospective employer would also have two months in which to give you the necessary instructions in the carrying out of your work, and it is felt with this proposition in mind you should be able to locate a position which will bring a measure of re-establishment."

How can a man taking these fits, as he does, intermittently and quite frequently, get a position? He cannot get any employer who will guarantee at the end of two months that he will give him permanent employment. Even the Government would not give him employment. I will leave that case here. I will refer very briefly to these other two cases—

By Mr. Black:

Q. Could you write the Chairman a letter and set those out?—A. I will be through in just a minute, if you don't mind.

Mr. ROSS: Mr. McQuarrie, we have got a lot of people here from the west and all over Canada. I know you are going away, but you can see the predicament in which we are placed.

Mr. CARROLL: If you will just state briefly the general proposition you are trying to place before the Committee—

The WITNESS: I will not read anything more.

Mr. ROSS: Just give us a statement.

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The WITNESS: If the Committee is of that opinion I will stop right here. If you want to block me, you can block me. I have no other place to go.

The CHAIRMAN: We are not trying to block you. We are drawing toward the end of the session and are anxious to wind up the evidence, and you, being a lawyer, could very well make a statement before the Committee without going into the details of any case, showing that, in your opinion, the law as at present is not sufficient, insofar as it does not allow a man assessed too low any recourse. You see my point?

The WITNESS: Yes, I see it. I am not anxious to waste your time.

Mr. Ross: We do not consider it a waste.

The WITNESS: I do not know what you consider it then. What else do these little interruptions mean? I cannot see anything else to it.

Mr. CALDWELL: Well, if you will permit me, Mr. McQuarrie, I will say that I think the Committee is in very close agreement on these things, but we do not want to delay our proceedings so as to prevent action for the returned men. If we do not get a report in to the House in the next few days, we will get no action.

The WITNESS: I will refer to the case of Lieutenant J. W. Frazer. That man lost an eye. He was injured in France. I have several certificates here which definitely establish the fact that he was wounded in France, and that his eye was injured and became infected, and he received treatment for that eye in France, and also in this country, for a number of months; that the eye was taken out by a D.S.C.R. specialist in Vancouver, and that previous to that taking place, the man was promised that he would be awarded a pension if the eye was taken out. They said if the eye was not taken out, the other eye would be affected. He is receiving \$7.50 a month. It seems to me that is absurd. There is no doubt about the fact that the man's eye was injured in France. The only answer to it is that this particular eye had been previously injured, which is a fact; some years ago the eye had been injured, and at the time he went overseas it was not in very good shape, but at the same time he had the eye, and he could make certain use of it. Now, they give him \$7.50 a month. I think that is absurd—absolutely absurd.

By Mr. Wallace:

Q. What category was this man placed in?—A. He was in the Forestry Service.

Another man by the name of J. W. Scott, 16355, Corporal, 7th Battalion, pension number 150033. He was awarded a pension for himself and his family, consisting of a wife and two girls, of \$33.50. He was driven to taking any kind of work that he could get and went down on the docks and worked there, as a result of which he was ruptured and was in hospital and has had to give up his insurance; he has no protection for his family at all, and because of all this his pension has been reduced to \$26.50, in the face of the statement made by Dr. E. G. Gillies, of Vancouver, that he is "all shot to pieces" and is in very bad shape. I suggest, Mr. Chairman, that there should be some place where these men could go with their complaints.

By Mr. Carroll:

Q. In brief, Mr. McQuarrie, what you are asking here is an amendment to Section 11 of Chapter 62, as to the powers of the Appeal Board?—A. I think so. I do not know what Section of the Act it is. Thank you very much, Mr. Chairman. I hope I have not taken up too much time.

The Witness retired.

[Mr. McQuarrie, M.P.]

Major M. A. MacPHERSON, called and sworn.

The CHAIRMAN: Gentlemen, I have pleasure in introducing to you Major MacPherson, who will speak on behalf of the delegation from all over Canada, now in Ottawa, to place their views before this Committee. Major MacPherson is from Regina.

The WITNESS: Mr. Chairman and gentlemen of the Committee: The delegation that came to Ottawa from different parts of the Dominion, in fact, from all portions of the Dominion, have asked me to speak more particularly on Soldier Settlement and possibly at the outset I should say that I am not a Soldier Settler myself. I was born and brought up on a farm in Nova Scotia, and I have been in direct contact with the Soldier Settlement Scheme ever since my return from Overseas in 1917. I was for two years, 1919, 1920 and 1921, the Provincial Solicitor for the Board itself, so I know something of the workings of the Board. I might say here that I have no grievance against the Board; that is to say, I was not dismissed from the Board, but resigned of my own free will.

So far as the Soldiers' Settlement Scheme is concerned, we are unanimous in stating that the Scheme itself is a good scheme; we think it makes for the development of the country, and we have faith in the country. We have no criticism to offer of the administration of the scheme by the Commissions or by the men in the field. I think that credit is due these men for the assistance they have given the settlers on the land.

There is, however, an economic situation which necessitates our coming to you and asking for relief on behalf of the Soldier Settlers of Canada, and in connection with this relief there were a number of suggestions considered. First of all, you will probably know the suggestion—not quite a suggestion, but a suggestion which is not a suggestion—in the Ralston Report, where it refers to the fact that it may be too early to judge of and arrive at anything definite as to the 25 years' scheme, but that the matter may be adjusted later, if necessary. That is absolutely impossible. If there is to be any relief, the relief should be granted now, and a settler on the Prairies—and that is where most of the settlers are—is not considering his estate in the way of any balance that may come to him by any adjustment made in 10 or 15 years' time; if he wants an estate created, he will do it by taking life insurance or something of that nature. There is an immediate need. In connection with that there have been three suggestions. One of these, I will say frankly, I was in favor of before I came to Ottawa. That is the Capital cut. There are two others which are before the Committee, one of which was suggested by Mr. Shaw, and one by Mr. Speakman, both of the Committee. We have gone into these, and personally I feel that while the proposal offered by Mr. Speakman might result in a greater return to the settler, the fairer and more equitable proposition is set forth in the proposition of Mr. Shaw.

Now, the evidence which you have before you now—that of Major Barnett; would lead you to believe that there has been no real drop in the price of land that was bought by the Soldiers' Settlement Board; that so far as the men are concerned there was an inflated price of land, and that the Board, because of the limitation of the Act, did not purchase that high priced land, and yet wherever it did purchase land, the reduction which the Board was supposed to get, because of the cash price which was paid for the land, was sufficient to offset the inflated value. Now, I can speak, I think, Mr. Chairman, quite definitely in this connection and say that there is absolutely no question in my mind as to the drop in the price of all land in Western Canada; it is a natural consequence, when you consider the situation that the farmer is placed in, and the conditions in 1919 and 1920, when the crop was harvested, when the price was all right, and consider the conditions to-day, and that not

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only obtained so far as the settlers and the grain growers were concerned, but to the mixed farmers as well. There has been, beyond question, a drop in the price of land, even the land which was purchased by the Board at \$4,000 and \$5,000 a quarter section back in 1919-1920, at the peak. The price of land, however, has not depreciated to the extent that the price of stock has depreciated. The drop in the price of stock in Western Canada since 1919 and 1920 up to to-day has been very serious indeed, and we must bear in mind that the great majority of the settlers were established during the years 1919 and 1920, that is to say, it was during the years when the price was at the peak that the soldier settlers purchased their stock, and to-day we find that the price of stock is very very much reduced indeed. One reason why I feel personally inclined to support the revaluation scheme is this. We have a great many settlers in Saskatchewan, particularly in the northern portion of the province, who were pioneers and who are not Dominion settlers. They do not require much in the way of permanent improvements, that is, they have not expended much for lumber because they are in the bush in that country and most of them build their own log cabins and their own log stables. As pioneers they do not require much for machinery, and they buy the least possible amount of machinery at this time. They do not require the same machinery as the settler who buys a going concern on the prairie, and practically a great amount of their disbursement is for stock, for horses, for cattle. Considering the settler, it seems to me that the proposition which is before you is more equitable for it would give him ready relief and give him relief. It will be equitable when we consider the proposition as a whole. Now, so far as settlers are considered in the West, considering conditions during the past few years, I think the record of the settlers has been such as to warrant their being encouraged and assistance being granted to them. You know, from the evidence before you, that 18 per cent of the settlers have been salvaged. There are 82 per cent of the settlers still on the land, and when we consider that these settlers have made very substantial payments during the past two or three years in the face of all the difficulties that they have had to meet, you can see that they are of a type that deserve consideration when it comes to considering the fact, and the particular fact that the price of land and the price of stock has dropped so materially during the past few years. One of the great results of any relief at this time, as we are suggesting, would be that the morale of the settler would be very much enhanced. He would be very much better satisfied with conditions on the farm and he would be very much more desirous of remaining in the country. We talk of immigration and getting men into the country. I think that is one of the things we must consider seriously to prevent emigration and to prevent abandonment of the farms. It is my opinion and it is the opinion of the committee of the association that it would tend to prevent emigration if at this time some assistance were given in the way I have suggested, to the soldier settler. There is just one further fact, and if you will pardon me, I would give my personal opinion in this connection, as a solicitor, that you find in the practice of law in Western Canada to-day, you are continually dealing as between vendor and purchaser, that is private vendor and private purchaser. You are continually having adjustments made as between vendors and purchasers, and these adjustments are made, whether the land is \$25 or \$30 an acre, or whether it was sold at the higher prices, and adjustments are made in connection with stock and equipment purchased as well. Now, the settler realizing the fact that the vendor in the country is prepared to give and does give to his private purchaser, consideration in the way of a new agreement and an adjustment in respect to land and in respect to stock, that the settler realizing that the private vendor recognizes a drop in the price of the land and a drop in the price of stock is

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concerned with his relationship with the Government, he naturally feels that he has a just claim as against the Government, in asking them to reduce the price of land and the price of stock and enter into new agreements with him. That is to say, the settler feels that he has the same right to expect consideration from his vendor, the Government, as the private purchaser is getting from his private vendor, and consequently the settler feels that he has an absolutely just claim in coming to the Committee and asking this Committee of the House, to recommend legislation which will provide relief for him. So far as suggestions are concerned, there is one suggestion of Mr. Shaw, and one thing we do not agree with in the suggestion is in subsection 2 of paragraph 3 of his proposition. It refers to the fact that difficulties have not been induced or increased by the neglect or lack of energy or the incapacity of the settler. The point is this, that the words "or incapacity" be struck out. It might happen that a perfectly deserving case would exist where the settler under circumstances beyond his control, or on account of illness would not be able to function and act as otherwise required in the proposal.

By Mr. Carroll:

Q. Does incapacity mean the incapacity to do farming work, to look after the farm in the ordinary course. It might mean he would be incapacitated. He would be incapacitated from doing his work.—A. We do not object to "incapacity" if it is not interpreted to mean laziness and that sort of thing.

Q. Not laziness; rather not adapted to the particular occupation.—A. I think the proposal protects him sufficiently so far as the Government is concerned, if that were omitted and we do not, knowing the difficulties of the Act and other acts, want to be placed in the position that there should be any misrepresentation.

Q. I do not know what Mr. Shaw meant by "incapacity."—A. There is another suggestion, I think, to the proposal and that is that paragraph 9 says, "Such findings to be based on the value of land at date of purchase." Revaluation has been discussed in the west so far as settlers are concerned and revaluation, as it is usually discussed, did not find favour with the settler, that is, revaluation of land and of equipment and so on, as they are to-day. We feel that such revaluation would discriminate rather unduly against the settler, who had broken land, cleared land, put up buildings, dug wells and all that sort of thing, so that it should be very very clear, and I do not think it is suggested under the proposal as you have it, that revaluation should be of the land as at the date of purchase, when the Board purchased it or sold it to the settler. There are certain parts of Mr. Speakman's memorandum that the Committee favour, and which are not inconsistent in any way with the other. For instance, Clause 3: "All settlers shall be allowed discount at the rate of five per cent on payment of principal made prior to the due date thereof." If they made payments of principal at the enhanced price they should be allowed a small discount in that connection, that is, if it were made at the price higher than the land would be actually sold at.

By Mr. Caldwell:

Q. The idea is when they paid before the due date they would have a discount of five per cent from the date of payment until the due date?—A. Yes.

Mr. SPEAKMAN: That is the idea, taken in connection with the first suggestion that, at the present time the incentive towards prepayment is to avoid the payment of interest. I feel, personally it would be fair that they should have the same advantage that they have at the present time. It would practically be lending the Government that amount of money.

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MR. CALDWELL: It simply means that the interest stops on it at the date it is paid. Might I ask a question here at this point: In considering these two schemes, have you considered the difference in the cost to the country in making the re-adjustment between Mr. Speakman's scheme and Mr. Shaw's?

WITNESS: We think that the cost to the country will be probably less than in the revaluation.

By Mr. Caldwell:

Q. My point is this: In Mr. Speakman's scheme, every dollar that is lost to the country will go to the soldier and in the other scheme there would be a bigger overhead cost in revaluation?—A. That was one of the objections I personally had to revaluation myself. I felt it would mean the setting up of a lot of machinery which might be obviated, that would be obviated, for instance, by a capital cut, but I think, for instance, taking into consideration the number of settlers we have, who are on Dominion lands, for instance, they get a straight cut on stock and there would be no arbitration there. Then provision is made in the scheme for the parties, the Board and the settler, getting together, and I feel personally that the Board and the settler would, in many instances, get together. So far as the actual expense is concerned I do not think you need any high priced board, sitting all the time, at all. There are eleven districts, I believe, in the Dominion. In the eleven districts there would be a board, under the scheme; but one member of the Board in each instance would be a member of the Soldiers' Settlement Board staff, that would not mean any increase.

Q. There would be two additional?—A. There would be two additional. I think the scheme could be worked out as the Advisory Board scheme was worked out in connection with the purchase.

Q. Have you considered how long it would take a board in each of the eleven districts to cover the ground and make these re-adjustments? Possibly that is irrelevant?—A. Possibly it is irrelevant.

Q. I just wanted to know if you had taken all this into consideration?—A. I think you will find that it would have been a reasonably short time. I think the most important thing to do is to get the matter in such shape that the settler knows he is getting relief and then the matter can be adjusted. If the settler knows that the relief is by legislation, coming to him, then he will not be so worried about it, and you will be improving his morale, so far as that goes, and I do not think it would take such a long time to adjust matters under the Board. There is the suggestion No. 4 of Mr. Speakman:

"The Board shall have discretionary powers to relocate bona fide settlers who are found to be located upon manifestly unsuitable farms; such relocation to be made without financial loss to the settlers."

That is, I think, reasonable. If it develops that the Board has located the settler, has purchased land or located him on land that is absolutely unfit land, that it should not have located him on, and he has accumulated debt to the Board for the land and for Improvement to the land, I think it is absolutely fair that he should be allowed to relocate if he desires it, and that when he relocates the only indebtedness chargeable to him should be any indebtedness in respect to any stock or equipment that he takes from one location to the other.

By Mr. Carroll:

Q. In other words, you agree with Section 4 of Mr. Speakman's recommendation?—A. Yes. I agree with Section 4 of Mr. Speakman's recommendation.

By Mr. Ross:

Q. There would be another case of a man who had already left the farm, thrown it up, because the farm was not paying?—A. I think if he wishes to relocate that he should not be discriminated against. If it is his desire to relocate and he threw up the proposition because it was a hopeless proposition and it was evident on re-inspection, I think there should be no question but he should be extended the same privilege. There are objections that we hear raised. There are a great many objections that we hear raised by some people as to the relief of soldier settlers, and one of the objections is this,—that there are a number of returned men who are established on the land, who are not established under the soldier settlement scheme, who are established independently. Some of the objections are that these ex-service men will object to the relief given and will demand something on behalf of themselves. I can simply say this, that so far as Saskatchewan is concerned, we have a great number of men out there who are established independently and we have never heard a suggestion of opposition to the relief. As an association, we can say that frankly, that we believe the settler who is established outside the Board, who would support very very strongly the recommendations we are making, that relief should be given to men who sought assistance from the Soldier Settlement scheme.

By Mr. Brown:

Q. It is an objection that has been raised, and I felt strongly that the returned men who were not settled under the Board—A. Personally I have known several men and I am satisfied there would be no objection raised. In so far as revaluation is concerned, it is stated at pages 59 and 60 of the Ralston Report by Premier Massey of New Zealand—and you will see there that Premier Massey proposed that there should be relief by way of revaluation. He says:

“These concessions have eased the situation. But it has been apparent all along that some of the soldier settlers would have to have their capital values reduced. The Government, in other words, would have to write off some part of the money that it had paid for the land. The Ministers have admitted that this measure would be necessary in cases where the productive value of the land, on the basis of reduced prices, was less than the price paid when the land was bought for the soldiers. But they have argued, very reasonably, that the Government should not be asked to make this adjustment in haste. Produce prices fell in 1920 to an exceedingly low level and have since been moving up again gradually. Wool and meat are still increasing in value.

The soldier farmers, however, are not to be kept in suspense much longer. The Government has made the first step towards the adjustment of the land values by appointing a number of practical independent farmers to visit the farms and make recommendations. Every soldier on the land will be given an opportunity to state his case to one of these men. The inspecting farmers will confer with the Land Boards, and recommendations will be placed before the Government. The final decision will rest with Parliament, but there is no doubt that the representatives of the people will endorse whatever action the Government proposes. New Zealand may lose a million or two but it will gain thousands of contented producers.”

We are submitting, in all reason, that the same thing obtain, so far as Canada is concerned. We, as an organization again state that we have a wonderful country to develop and that we have a scheme that is going to help develop it; and we have no criticism whatever to offer of the Board or of the administration of the scheme. Now, that is about all I think I should say in

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connection with soldier settlement, but I was definitely instructed this morning by the Committee to make a further statement in regard to pensions.

By the Chairman:

Q. Before you go any further, you have just read that through this scheme New Zealand loses a million or two but it will gain thousands of contented producers. The question of expenditure is one which must always be considered in each case. Are you in position to tell the Committee even approximately, to the best of your knowledge, what the country would lose, if we are to use this expression, and I am taking the expression from the text that you have read, what the country would lose through applying the recommendations which you have before you now?—A. I am not in position to state that. The country is bound to take a loss of some millions of dollars. There is no question about that. There are a number of settlers who will stay with the proposition and make good if they get it. If I am settled on the land and I think I cannot carry the load, I quit, but if I had this adjustment I would carry on. Now, as soon as I quit the land is on the Government's hands and the Government would have to find a purchaser in the market, with all the other private purchasers, and the Government is much better off having men on the land who want to farm and who would be contented rather than having the land laying idle.

By Mr. Carroll:

Q. Half a loaf to the Government is better than no bread?—A. Yes, and much better to the country. That is what I wish to say to the soldier settlers and every other person, to make the statement, so far as pensions are concerned. You have had evidence from Mr. MacNeil during the past two or three days and Mr. MacNeil has given evidence as the national secretary-treasurer of the G.W.V.A. There may be some question as to whether Mr. MacNeil had authority in this connection to speak, and there might be some question as to Mr. MacNeil's being biased because he lives in the city of Ottawa and is in continual contact with the officials. So far as the association is concerned, the executive this morning wished me very very emphatically to state that Mr. MacNeil has but represented their views in the matter, and the further fact that he has the confidence of the executive and of the ex-service men of the Dominion. Now, so far as the Pension Board is concerned we feel that there is no question as to the honesty or as to the integrity of the Chairman of the Pension Board. That is not questioned at all, but the Committee feel this way about it, that the situation has arisen, according to the evidence that we find in the country, and this is the unanimous opinion of the Committee—the evidence we find in the country every day is such that the Board, particularly the Chairman of the Board, has lost the confidence of the ex-service men of Canada. Now, I do not know whether it is a matter which concerns the Government or concerns this Committee, whether the Chairman of such a board has the confidence of the ex-service men or not; but if it is a matter of interest, while we suggest nothing against his honesty or his integrity, the fact remains that they feel that he has lost that confidence. We do not suggest that we should have a Chairman of this Board who should be a friend at Court, so far as we are concerned, but we do feel there should be some sympathy and some co-operation as between all concerned in the Dominion. Now, one of the proposals showed how far one of our prominent members, an ex-service man in the Province of Saskatchewan went, so far as to suggest that it might be necessary, in the case of all deceased pensioners or deceased soldiers who had dependents, who wished a post mortem, that they insist on post mortems in order to decide what was really the matter with them at death.

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It is too bad that such a situation should exist. Now, as I have said before, we want to use proper language. Personally I do not want to use any strong language at all in connection with this matter, but it is undoubtedly a fact that the ex-service men of the west have lost confidence in him, and we think it proper that we should tell you this and that you should consider this matter and deliberate it on the whole question of soldiers' problems. We feel that however honest and upright he may be, he is not serving the country or serving us and that he should be replaced. We feel this way about it, and so far as the Pension Board is concerned we do not expect more than we should have, but we should get everything that Parliament and the public wish us to get, and we feel very very keenly that the Parliament of this country and the public of this country intend that ex-service men of this country will be met by a fair attitude in the interpretation of all acts passed by the Parliament of this country. Whether it is important or not we wish to give you this opinion.

The CHAIRMAN: No doubt you realize, as Mr. MacPherson and Mr. MacNeil have realized, that you are making a very sweeping and important statement. Now, in justice to the officials and Colonel Thompson particularly would you be in position to state particulars, to indicate in a more detailed and particular way the reason why such confidence has been lost. When you speak of confidence being lost it conveys the idea that once the ex-service men had confidence in Colonel Thompson. You admit that once they did have confidence in him. Would you be in position to tell us what has developed since that time when they had confidence in him up to this time? What has developed to alter that opinion?

WITNESS: There has been a great mass of cases that have been submitted from time to time during the course of this inquiry before this Committee, and in connection with the matter of the Appeal Board we felt last year that when Parliament passed legislation creating an appeal board, it intended that that Appeal Board should function and that the Appeal Board should have authority, that the intention of Parliament was that that Appeal Board should deal with all cases of entitlement, to deal with them finally, and we find cases where the Board of Pension Commissioners takes the stand that there is no liability and they treat the pensioner, the widow or the heirs, as the case might be, as though she had no remedy, and she is not in position to do anything.

By the Chairman:

Q. Do you know in how many cases the Board of Pension Commissioners did not carry out the recommendations or the judgments of the Federal Appeal Board?—A. I do not know in how many, I cannot give you these figures.

Q. Supposing the number of cases was seven, would that be your ground for stating that Colonel Thompson had lost the confidence of the men?—A. That would be one ground.

Q. What would be the other grounds?—A. There are a number of cases, I have not got them there.

Q. Generally speaking. I would not ask you to go into details as to the cases, but try to give us a general statement. In the meantime be as precise as possible.—A. The general statement is this, that so far as the pensioner is concerned, considering the number of cases that have come up, the regulations that have been passed and the insistence on the part of the Board of Pension Commissioners that notwithstanding amended legislation, the same interpretation is to be placed on the pensioner. We feel that when Parliament amended, in many instances at the request of the Association, that it was the intention of righting some of the grievances and yet we find a regulation to the effect that the interpretation is the same. We feel that there is a lack of

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sympathy, and I possibly should not say a lack of desire, but at any rate it is indicative of a lack of desire to carry out the spirit of the amendments.

Q. Your second ground is that they have not given the Pension Act the proper interpretation which they should have given it?—A. Yes.

Q. To what section of the Act do you refer most particularly.—A. I have not those parts here. Yesterday, before the Committee, it was given in particular by Mr. MacNeil, in regard to this particular method.

By Mr. Humphreys:

Q. I would take it that you were simply endorsing and supporting statements made by Mr. MacNeil on behalf of the returned men in Saskatchewan, and not with a view of bringing any specific argument, but endorsing it as a whole.—A. Yes. I have not all these cases before me, but I do know of the situation and the condition that exists in Saskatchewan and that is all the evidence that I can give on that.

By the Chairman:

Q. My reasons for asking you these questions is this, that your statement will be infinitely stronger if you are able to give your reasons, to explain your opinion. If I came to you and said, "I am not satisfied with this judge"—these men are judges in there—"I am not satisfied with this judge." That is not a very strong argument, but if I say, "I am not satisfied with him because he has not given the interpretation that should be given to the law, more particularly this law or that law; more particularly this section or that section of the Act," your argument would be much stronger?—A. I would supplement my evidence by all this evidence that was given by Mr. MacNeil. Those are the details I have not got.

Q. You are referring to Mr. MacNeil's evidence?—A. Yes.

By Mr. Humphrey:

Q. May I ask one question: You made a statement that the returned men in the West have lost confidence in the Chairman of the Board of Pension Commissioners. If it is a fact that the returned men have lost confidence in the way the Chairman has interpreted and administered the Act in that respect, it also has a bad effect on all walks of life in Western Canada, not only the returned men, but it has an effect on the country, caused by the unsettled conditions which it would encourage.

Mr. CALDWELL: One question with regard to the jurisdiction of the Appeal Board in cases of assessment—as well as entitlement—A. The Committee feel that there should be an enlargement of the jurisdiction of the Appeal Board so that it would deal with the matter of assessment as well as matters of entitlement. That is the representation made by the Committee.

By Mr. Knox:

Q. What is your official capacity in connection with the G.W.V.A.—A. I am a member of the Dominion Executive of the G.W.V.A. and president of the Regina Branch.

Q. Are you speaking as representing Saskatchewan?—A. I am speaking as representing more particularly Saskatchewan. If I am speaking for the Committee as well to-day it is because the Committee can only hear two of us and that is why I am speaking. Mr. Moore is also speaking for Manitoba.

Q. You are speaking with personal knowledge of the Saskatchewan conditions?—A. I am speaking with personal knowledge of Saskatchewan conditions.

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Q. Taking the northern portion of Saskatchewan, you have communication with the men on the land there?—A. I have not been through that country so very recently, but I have been in touch with a man there who knows the conditions very well. Conditions are entirely different in Northern Saskatchewan to what they are in Southern Saskatchewan. Taking that country up there, you will know they are really pioneers and it bears out the suggestion I have made in this connection.

The CHAIRMAN: Any further questions? Thank you, Mr. Macpherson.

The witness retired.

The CHAIRMAN: I have enquired from Mr. MacNeil as to who the men were who would address the Committee as representing ex-service men from all over Canada, and Mr. MacNeil has furnished me with the names of Major Macpherson, whom we have just heard, Alexander Walker and A. E. Moore. I would therefore ask Mr. Walker to come forward and give his evidence.

ALEXANDER WALKER called and sworn.

The CHAIRMAN: Mr. Walker is from Calgary, Alberta, and will present the views of the returned men of Alberta.

The WITNESS: Mr. Chairman and gentlemen, before saying anything on soldier questions I would like to convey the thanks of the returned men of Alberta. We had a large meeting, and I was asked to convey their thanks to this Committee for the very kindly remarks on the opening day of this meeting. We feel in the west that we will get some results from this Committee, and I was asked to express the thanks of the returned men of Alberta. Mr. Macpherson has shown you the need for help or relief for the soldier settler, so I will not say anything more about that. I know you are tired of listening to evidence, and I know you are with us in that respect. Before coming down here I travelled about 870 miles, visiting soldier settlers to get first-hand information, so that we could give you the facts as to the conditions. I spoke to them about revaluation and also the waiving of interest, and I came down here with this idea in view, of pressing the desirability of the waiving of interest. The need for relief is very great indeed, and at a meeting in the month of February of 156 returned men, soldier settlers, a large number of them told me they were worse off than before the war, and they said they were going to quit the land. I said, "If you leave your farm you will come to the city; the first thing you will do then, you will require a home, and that takes money. You will require work, and you cannot get it; you will ask for help; you will go to the city and they will refuse you; you will come to the G.W.V.A., and we have enough to do without any added burdens." So I asked them to stay with it on the land, because we have lost too many fine chaps now. Going into the figures of revaluation and waiving of interest, we figure that 50 per cent of our men would ask for revaluation, and the government has spent \$58,000,000 on the land. 50 per cent of that would be \$29,000,000, and we figure that the average reduction in land would be 25 per cent, which would mean a reduction of \$7,000,000 on land. In the case of cattle—

By Mr. Ross:

Q. Is that for Alberta only?—A. No, that would be all over. As far as stock is concerned, stock and equipment cost \$28,000,000. The average is \$1,000 for stock, and the 50 per cent which is asked for in the Shaw scheme would be \$14,000,000, making a total of \$21,000,000. That would be on the revaluation scheme. That means a cut of \$21,000,000 on this scheme. Now, the waiving

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of interest—why I was in favour of that idea is because it means immediate relief, and that is what we want. The other scheme—although I am in favour of any scheme which will give relief to the settlers and keep them on the land—the other scheme means time and money and more expense, but the waiving of interest is only a bookkeeping item which could be done in one day. You could make all the back payments on capital, and by doing that you will give these chaps a chance to re-establish themselves.

By Mr. Carroll:

Q. Does this \$21,000,000 of a cut mean the difference between what was paid for the farm and stock at the time they were bought, and the present value of them?—A. It means a reduction according to the price at which they were bought, not the present price. I am going by the figures of the Soldier Settlement Board. The Board says they have spent \$58,000,000 on land, and that would be from the start until to-day.

Q. You spoke about so many soldiers wanting to leave their farms and return to the city. What is the particular reason for that, in your province?—A. The main reason is necessity; they cannot make it go. This is terrible to say, but I have found cases of returned men in distress, of whom we have been feeding a large number, sending out second-hand clothing for their kiddies, for themselves, and for their wives; we have been also sending out food stuffs, and all that shows there is something wrong somewhere. I am reminded of the case of a chap who used to ride 35 miles on horseback to attend our meetings, an amputation case. This man had homesteaded before the war, and when he came back he felt the need of another quarter section. He is worse off now than he was before the war, because the title of this homestead has to be put up to cover his loan, and he is not making it go. There are cases, of course, of men who have disabilities and are not fit for the work.

By Mr. Ross:

Q. This man owned a quarter section before?—A. Yes. These men are getting quarter sections for grazing and you can never make cattle pay for it.

Q. Could he not get that under the Department of the Interior?—A. Not in that district, no. Revaluation would mean a saving of \$807.70 per settler; that would be figuring on a 25 per cent reduction in land, and a 50 per cent reduction on cattle and stock. I do not think that is enough; I do not think there is a big enough cut there. By waiving interest, it would mean a saving of \$1,500 per settler, which would make some difference. But then again, you have the Exchequer to think about; \$21,000,000 as against \$40,000,000.

By Mr. Caldwell:

Q. Have you estimated the cost of a physical re-valuation as compared with the cost of the waiving of interest, the overhead?—A. I have not figured the overhead.

By Mr. Brown:

Q. You would admit that to make a revaluation of every piece of land would involve considerable cost?—A. There is no mistake about it. Take in Alberta, where you have long distances to travel, you would have to pay the men's railway fares and different expenses. There is no mistake but that the Government has got to make a substantial cut to make the scheme a paying proposition. There was another good suggestion on the part of Major Barnett, that if we could have a cut, the waiving of interest or this revaluation, coupled with the power of moving a man from one farm to another, in the case of the man who is farming, it would help him considerably. The Soldier Settlement super-

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visors are a bunch of good chaps, there is no mistake about it. They are in touch with the settlement work and they know the men who farm, the chaps who break their land and put in their seed properly. If they had the power to remove a settler from one place where he can never make it stick, to a good farm and give him a chance to wipe off his debt, it would help him; that coupled with the cut or the revaluation—we do not care which you suggest. The waiving of the interest means \$1,500 against \$807. Of course, we have got to keep these men on the farms.

By Mr. Caldwell:

Q. I do not see where you get the \$807. There is no set reduction under the physical revaluation proposed under Mr. Shaw's scheme; it is a revaluation according to circumstances. It might mean anything. I suppose you have taken that amount for the purpose of comparison?—A. Yes, but I may say, speaking of those figures, that in the month of February, we had a convention—we had a large number of settlers in Alberta and it is a great problem with us—we had a Committee on Soldiers' Settlement work. Those chaps were all soldier settlers, and they agreed that about 25 per cent reduction in the land would cover a present day valuation against the valuation at the time the land was bought. That is why I am giving you those figures.

By Mr. Robinson:

Q. Your idea is that that is the immediate need?—A. The immediate need.

Q. A revaluation of the land would meet that at once. Is that the idea?—A. By the waiving of the interest you would have immediate relief. A revaluation would take some time.

Would there have to be regulations providing, for instance, for an appeal on the part of the soldier settler if he was not satisfied?—A. With the revaluation?

Q. Yes.—A. Yes.

Q. But that will take more time?—A. Yes.

By Mr. Brown:

Q. The general statement you are giving here is that a reduction of the interest would affect all the men at once?—A. They are waiting for that. As regards revaluation, there is nothing against it, but the boys would rather prefer the other thing. The waiving of interest would make it equal to every settler throughout the Dominion.

By Mr. Humphrey:

Q. Is there not a certain number whom the waiving of interest would not affect materially?—A. In which way?

Q. Is there not a percentage of settlers who are really in good circumstances, who are making good?—A. There is no mistake about that; I agree with that. We have several parcels of land in Alberta where the boys are not worrying about revaluation.

Q. Or about the waiving of interest?—A. Well, that is different.

MR. BROWN: I do not think that anybody would refuse the remission of interest.

By Mr. Black:

Q. In some instances you say there should be no reduction and no revaluation?—A. Lately, the pieces of land bought by the Settlement Board have been very good indeed. The men who suffered were those who bought early. The thing was done in a hurry, and they were anxious to get a home and a farm.

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The scheme looked good to them. In some cases, influences were brought to bear to sell parcels of land to those chaps. Lately, however, the buys have been very good indeed. We have good superintendents and a bunch of good supervisors. It is the early settlers who are having trouble.

Q. You would not care to suggest striking an average and making the reduction applicable to all cases?—A. No, that would not be fair. We thought about that. You mean a general cut?

Q. Yes.—A. No, the better scheme would be the revaluation. When you are talking about a cut—

Q. Each case should be considered on its merits?—A. Yes.

By Mr. Caldwell:

Q. Your proposed remission of interest means a flat remission of interest?—A. It is a waiving of interest. You see, for a \$7,000 loan a man is going to pay \$12,500.

Q. I understood you to say that you would not be in favour of a flat reduction to all the soldiers, but a waiving of interest means that?—A. It would be equal all over.

Q. Did I understand you to say that you were not in favour of that?—A. I am in favour of waiving the interest.

Q. A minute ago, you said you were not in favour of a reduction among all alike?—A. I am in favour of anything that is going to give relief. I would rather prefer the revaluation to the straight cut. There are cases where you will have to give more than 25 per cent reduction, and in other perhaps 50 per cent.

Q. A remission of interest means a straight cut to everybody?—A. Absolutely.

Q. One minute you say that you are in favour of the waiving of interest, and the next minute that you are not in favour of a flat cut?—A. A flat cut is different.

Q. No, the waiving of interest to all the soldier settlers would mean a flat cut to all.—A. It means a fixed cut, and if that is big enough, that will be all right. But a 25 per cent cut would not be enough in some cases, and perhaps too much in other cases.

By the Chairman:

Q. Are you suggesting the waiving of interest for the future as well as the past?—A. Oh yes, for the future too.

By Mr. Caldwell:

Q. There has been very little interest paid on those loans up to the present.

By the Chairman:

Q. For the future, forever, is that it?—A. Yes.

Q. That is, no interest will ever be paid in the future?—A. No.

By Mr. Speakman:

Q. That is for loans already made? You do not suggest maintaining the scheme indefinitely on that basis?—A. I mean loans made to date.

By the Chairman:

Q. Interest paid in the past will be remitted, and no interest will be claimed in the future?—A. Yes; any interest paid to date will be paid against principal.

Q. Now, what about those who have paid their interest in the past? Would that be refunded, or would the matter remain as it is now, and no more interest paid in the future? Take the case of a man who has paid his interest regularly

in the past; would that be refunded, or would it not?—A. In a case like that it would mean it would be against his future payments on principal.

Q. Interest paid in the past would be applied on the reduction of the capital?—A. Yes.

Q. In order to put these men in the same position as those who have not paid interest in the past?—A. Yes. Now, I have another suggestion here:—

“In cases where in the opinion of the Board the property has been purchased at a price which offers the settler no opportunity of success, the Board may request the Minister's permission to cancel the original sale and sell to the settler one of their salvaged properties, at its present valuation.”

That is the change we would like to have. I believe Major Barnett recommended that.

By Mr. Caldwell:

Q. You are not recommending them to go out and buy a new farm, but settle them on the salvaged farms?—A. If there is no salvaged farm available, and there is no chance of a man making good on the land he is occupying, let him get a new farm.

Q. Your recommendation would not include that? The trouble is that many of the salvaged farms in the vicinity of where this man may be living are salvaged because the men had left them because they were unsuitable?—A. I would like to see the Board have the power to send the men on to suitable farms.

Mr. SPEAKMAN: That is the gist of my proposal.

The WITNESS: That is primarily all right; that is very good indeed. That will be of great help to us in the west, because we have confidence in the present men who are buying the land.

By Mr. Ross:

Q. You referred to the men giving up? You said quite a number gave up and went away. Did they all give up for the same reason?—A. You mean all the men?

Q. Generally, not all?—A. The majority of them gave up the farms because the land was not suitable. We also have a number of chaps who gave it up because of their disability coming back. We have quite a number of them.

By Mr. Speakman:

Q. And the weeding out of the misfits?—A. They were weeded out long ago. This matter will take its own time.

By Mr. Ross:

Q. Quite a number gave up because the land was not suitable?—A. Yes.

Now, I would like to speak a few minutes on pensions. In Alberta, like other provinces, we are finding it very hard to get a large number of our cases settled to the benefit of the returned men, or the widows and dependents. I believe that the “Meritorious Clause” will be one of the main clauses in the Pension Act; for this reason: That the men who are now suffering are the men who “played the game” overseas; that is, the men with the clean medical history sheet. They “played the game,” and went up on the lines and may have had a little touch of gas, but did not report sick, and went back again. We have a number of cases where men are feeling the effect of their service in France, but there is no possible chance to get any medical treatment or pensions, because the onus of proof is on the man to show a continuity of

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sickness. He cannot do it. A man may be on a farm, perhaps be sick to-day, and all right to-morrow. We have cases of men who have been treated by doctors who are now dead, and it is impossible to get the evidence. That is one of the hardest things we have—getting the cases settled of the men who “played the game,” had a clean medical history sheet, and were discharged as A1. Continuity must be shown, and the men cannot do it. Under the Meritorious Clause there are many things to cover—

By the Chairman:

Q. Before we go any farther; I am not aware that this continuity must be shown. Has that been demonstrated to you?—A. Yes.

Q. Therefore, if a man was gassed on the field, and did not report, but went back and “played the game” as you so rightly said, did not complain of anything; came back to Canada, and now suffers from the injuries contracted on the battlefield, or from being gassed, if he is not able to show continuity, he will be refused a pension?—A. And treatment also. It is a hard fight to get a man into hospital for treatment; he must prove that continuity.

Mr. Ross: Mr. Chairman, let me have a few minutes. I know you cannot get this idea in regard to sickness. There is a general idea here that every time a man was sick it is shown on his medical history sheet. I would like to dispel that from the minds of everybody. You must realize when we were dealing with men on service we had to deal with a great many men who wanted to get out of the service, and we had to deal with a great many who wanted to “play the game”. A man who wanted to “play the game” would come in and be treated at the Aid Station, and his officer might say, “Here, I will give you a rest and send you to the horse lines, or back to the transport”. That never went on the history sheet; it was only kept on little pieces of paper which the officer would send in, or perhaps a man who did not want to go to hospital would come in and get his medicine and go back, and that might go on half a dozen times and all the entries would be on these little slips of paper. If he was in the Artillery he might be sent to the horse lines, or if in the Infantry he would be put somewhere else, if he was a good man and did not want to go to hospital. All these records are gone. I speak from experience and knowledge of these cases, because I had charge of them, and I know it was our work to keep our wastage as small as possible. It was easy to deal with a good man who did not want to go to hospital. We would take a man of that kind and put him in a rest station and feed him up, and give him plenty of sleep for two weeks, back of the lines. This kind of thing is not on the medical list. It is a piece of paper that passes through the medical officer, back and forward, and very often with the dressing station blown up—a man comes in with gas; he has got an attack of bronchitis, and the good men will not do it; and I have often said in this House and other places, it is the good man who suffers. The medical officer gets so sick of them that he says, “Put him in and leave him there.” I feel, as I am sure the members of this Committee feel, that every time a man reported sick that was on his medical sheet.

The CHAIRMAN: To supplement your statement, even in such cases as where the man would really be sick and that he did report he would have a medical history in the—

Mr. Ross: Many a time we had to take them and say, “You must go.” I am saying that because I had charge of these men and I am speaking from experience. Take another case that I have to deal with. After a certain time we made an order that if a man got the least bit of gas he was to report at once to a dressing station and go through a bath, change his clothes, and so on. Dozens and dozens of these men would go back to work and the trouble would

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come up later. Take one case in the Battle of Hill 70, there were about 700 cases of mustard gas and the order was definite that they must report to the dressing station if they got the least touch. This man did not report for 48-hours after. I was able to follow that fellow, and to get in touch with his medical officer and I said to him, "Why did he not report?" "Because there were only five men at the gun post". The officer said he could not let him go. If I was not able to get that he would have been cut out of consideration altogether. There was an order which his officer in command had broken.

The CHAIRMAN: It was broken by necessity of war.

Mr. Ross: They absolutely had to. On the whole, of the 700 men wounded by gas that day, 75 per cent of them had broken the order. The machine gunners could not work the machine guns without throwing off their masks; the stretcher bearers could not carry on without throwing off, and they all suffered. This man was sent over for rations for the five fellows who were at the one post. He got back and there were a few men holding the post, and the officer said, "I have to break the regulations." And the fellows suffered for that.

Mr. CALDWELL: I followed that up by saying there would be probably hundreds of these cases in Canada to-day that are not provided for under the Act.

WITNESS: Many thousands. Getting back to the meritorious clause; the meritorious clause is something I would like to speak to you about.

By the Chairman:

Q. You have heard General Ross explaining about cases where there was no medical history because they did not report?—A. That is another case.

Q. What is your opinion about what he said now? Do you concur in that?—A. Frankly speaking, I believe the only solution for that will be free medical treatment for every returned man. You can extend your insurance policy by making a payable proposition, and saying to the returned man, "Look here, if you take out an insurance policy with us we will give you free medical treatment because the trouble is now that we have to fight on the one hand, to get men into the hospital, and the medical authorities fight to keep the men out." There must be a doubt in the case and let the poor fellow get that benefit. I believe the time is coming when free medical treatment will have to be given to every returned man.

By Mr. Caldwell:

Q. Indefinitely?—A. Indefinitely.

By the Chairman:

Q. For the time being at least?—A. Yes. We had the case of Wallace Sharpe of Alberta. This man went overseas and lost a leg. He returned to Canada, had several operations on his stump with, of course, the usual loss of blood. This man was a settler and tried hard to farm. He would go out and plow the fields with his artificial leg and it was with hardship too, through the loss of blood and the hardship in trying to get re-established, that the man died. We have affidavits of three doctors to the effect that it was due to his war service, but now the war is over a few years and you cannot prove definitely but you can prove part responsibility, that the man's death was due to his war service. We have thousands of cases along the same line that the man's death was partly due to war service, but we cannot prove it was wholly due to service. The Pension Board say they cannot overcome that.

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By the Chairman:

Q. You mean to say, I suppose, that service has accelerated that man's death, or in other words has shortened his life?—A. Shortened his life. Take the case of a man, say, on a 20 per cent or a 15 per cent pension where a man was wounded in the chest he would have say, a 15 per cent pension. That man contracts we will say the "flu." There is very little chance for that man to recover owing to the wound in his lungs. Eventually he dies. The Pension Board tell you that the man died of flu, but they do not say that the wound in his lungs helped to hasten his death. But there is no mistake about it. That was a great factor in the man's death. To overcome it, say, pension was being paid to the widow and dependents, let the Government say, "We will give this 15 per cent pension to the man's widow and dependents." On the other hand the provincial governments would have to make that pension up to the full amount. The Government would have to assume part of the responsibility for the man's death, and the Provincial Government would make up the balance to the widow. We have a number of cases where the man died through paralysis, and the Pension Board do nothing in that case.

Q. Died from what?—A. They claim it is through syphilis. We have a case of a man I met four months ago. He had four years' service in France; and also in the South African War, and twenty years before enlistment he had no trouble with this sickness, but there is no mistake about it, that prior to that time the man did have syphilis, at the time he enlisted. He did not wilfully conceal the fact that he had had syphilis because the man felt that it was out of his system.

By Mr. Ross:

Q. Is that not covered?—A. No, it is not covered. We have never yet got one case through that showed any signs of syphilis. The pension authorities will not grant us one case. Take the case of the young boy, who went overseas; he left his home in Canada. He went overseas. As you know, Governments condone; they give them lectures to prevent syphilis. They put ideas in the boy's mind the idea that they should not have connection with these women, and a large number of boys did have connections with women overseas, with the result that they contracted syphilis. If the same persons had never left Canada they would never have contracted this disease; so I claim it is up to the government looking after them.

By Mr. Ross:

Q. Was it not much better to tell them of the danger? Hundreds of them came back infected. I think it was the better course to take.—A. As I suggested, they should have had examinations of these women and put them out of their misery.

Q. We could not control that. We did what we thought was the best thing to do under the circumstances.—A. Mr. Chairman and gentlemen, I think all the evidence on pensions has been covered very fully by Mr. MacNeil. We concur in everything Mr. MacNeil and Mr. Macpherson has said regarding pensions of returned men. In Alberta we find the same trouble as they have quoted, a very unsympathetic attitude on the part of the Pension Board towards returned men and their dependents. I met Mr. Thompson five years ago. I thought he was a very fine chap, when he was out in Western Canada, but I do not think the same thing about him now, and the reason I do not think the same thing about Mr. Thompson is, that having the opportunity to examine cases and files, showing the man for whom we have made application for pension, —having read the replies received from the Pension Commissioners, I will tell you frankly that I am no friend of Mr. Thompson's now. In the West not only

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the returned men and their dependents, but the citizens are with us in this. It is broadcasted all over Alberta that we will never have satisfaction until we make a change. The Ralston Commission's recommendations are fair. I believe this Committee's recommendations will be fair, but what is the use of spending your time here, recommending legislation, which will be a benefit to the returned men if those who are in charge of your Pension Board say, "Well, nothing doing; we will please ourselves." I have a large number of cases but I do not wish to take up your time with them because you have undoubtedly heard enough already to convince you. There is one case, however, I would like very much to bring to your attention. This is a case of one of our comrades, who lived in Edmonton. He had a 10 per cent pension. The man did his utmost to get re-established, but it was not possible. He said to the Pension Board, "I want you to do something for me. I cannot carry on." They examined the man and they told him, in polite words, that he could just go to hell. That is rather unparliamentary. They said, "Here is \$25." His pension was cut off. We are apt to speak plain in Western Canada; I do not know how it is here, but that is the fact; they cut off his pension. A few months after, he went back and the Board admitted making a mistake and increased his pension 10 per cent, that is, 10 per cent from the date of his previous pension. He again went back to the Board and said he could not carry on. They examined him and found he was suffering from t.b. of the spine. On the second occasion they admitted the mistake and awarded the man 40 per cent. He did not get the 40 per cent. Instead of paying the man the money, which should have been retroactive, they put him in hospital. The man had a wife and eight children at home. It was not long after that, knowing that he could not provide for them and knowing the result of the pension decision, to put him back in the hospital, the man left his bed during the night and went home and cut his throat. Who is responsible for that man's death?

By Mr. Caldwell:

Q. When he was put in the hospital he would get pay and allowances?—A. For a long time, but when he had been out on pension and coming back, he had been helped by the G.W.V.A., having a large family. The man was in straightened circumstances and it so affected his mind that he said, "I am tired of it all." That man was sane when he cut his throat. We have a large number of cases. I have given about 50 per cent of my spare time to affairs concerning veterans. In the West we have done a lot of good work in helping out. In 1919 the G.W.V.A. of Calgary spent \$19,000 in relief, for fuel and clothing.

By Mr. Humphrey:

Q. Where do you suppose the returned men would get off if they did not have an organization to combat the attitude of the Board of Pension Commissioners, as you have mentioned?—A. There would be riots in this country; there would be hell let loose. That is all there is to it, and I will tell you frankly I am tired of it, fighting for the rights of the men. If a man comes to our office and he makes a complaint and we know that that man is what we call a faker you know what I mean by that—we tell him to go away and forget about it. But when a deserving case comes in it is hard to get any justice from the Pension Board. In Calgary we have a doctor who is a heart specialist and you can get 50 certificates from other heart specialists that the man is suffering from a heart trouble, but that is never taken into consideration. The doctor at the S.C.R. says, "The man has no heart trouble." And if he says that, he has no heart trouble. That is something that has to be changed.

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By Mr. Humphrey:

Q. The point is that unless the returned men had this organization and different qualified representatives to fight the case before the departments, it would mean that the returned men as, a whole, would not be able to have a presentable case fought out for them. They would have to fight individually and it would be a bad state of affairs. —A. That is our trouble now, to keep them in hand.

Q. A great deal of it is on account of the attitude taken by the Chairman of the Pension Commissioners in respect to administration? —A. That is our trouble to keep them in hand. That is the serious trouble.

Q. I would take it you are an officer of the provincial command?—A. I am provincial president for Alberta and also for the Calgary branch. In the Calgary branch we have 2,000 men. There was one point I would like you to take up and consider, that is, that outside recommendations should be taken into consideration.

Mr. CALDWELL: The opinions of medical specialists who are not of the S.C.R. That is a feature we have been considering.

Witness discharged.

C. GRANT MACNEIL recalled:

By the Chairman:

Q. You have recommended in your evidence the removal of the present Board of Pension Commissioners. I want to ask you one question about this: was this feature ever brought in before the Ralston Commission, in the evidence that was submitted to them all through the country? You followed the Ralston Commission. You heard all the evidence?—A. Yes.

Q. Was this submitted to them in the evidence or was it not, outside of the appreciation which they might have made? Is this in the evidence, or is it not? —A. The inquiry was conducted in two stages. In the first stage they investigated specific charges against the Board. In the second stage they reviewed the evidence submitted by committees on general re-establishment problems. During the second stage of the inquiry we refrained from any reference to the previous controversy, as we felt that the Commission had rendered its judgment.

Q. So, on that account this matter was not brought before them?—A. Within my recollection, there was no formal request made to the Commission.

Q. Complaint might have been made?—A. Numerous complaints.

Q. No formal request which you might have made yourself?—A. I made it my business to advise the committees that it would be inadvisable to deal with that matter, as the judgment was then pending.

By Mr. Caldwell:

Q. Would the fact that the Pension Board has refused to execute the findings of the Appeal Board accentuate this feeling among the returned men?—A. It has caused a distinct sensation.

Witness discharged.

Mr. A. E. MOORE (G.W.V.A. Winnipeg) called and examined.

The WITNESS: It was very kind of you to remain here in order to hear my statement and I hope that the subject matter that has been assigned to me to present to you this morning will be of sufficient importance to warrant the attention of the Committee and I hope it will not be very long. I know how very

[Mr. C. Grant MacNeil.]

anxious you are to get away, so I am going to be as brief as the subject will allow me. I want to talk to you of the grave peril of unemployment, which has a serious effect on the social life of our country, and I might suggest to you in all humility what I consider, in my judgment and what my colleagues think, is a partial remedy to the grave subject matter. The other subject I wish to talk to you about has some relative bearing on unemployment and that is the matter of the establishment of the soldier homes, for want of a better term. I call it, "soldiers' homes" advisedly, for want of a better term; I want to marry the two together, as they really have a bearing one with the other. Unemployment in this country at the present moment is a more serious matter than we have ever experienced. I have been chairman of an industrial adjustment committee in the Province of Manitoba for five or six years and the condition is the gravest in my experience, since I have been in Canada. The week before last the City of Winnipeg—and the situation is general right throughout the country, I understand, with the exception that it is somewhat ameliorated in the Province of Saskatchewan, but in the City of Winnipeg, the week before last, there were 300 married families on the relief system, 75 per cent of whom were returned soldiers, 45 per cent of whom were disabled men, who have either commuted their pension or the disability has been such that it is never pensionable to the degree of carrying them along and carrying a burden. The fact that we have seasonal employment and unemployment is a recognized factor right throughout the Dominion, but the situation is becoming so acute because of the fact that we are periodically without any systematic effort being made by any of us, I suppose, to try to take cognizance of the grave danger that exists by allowing the disabled man to find his way into the labour market, without taking upon ourselves to face the facts as we should face them, without getting hold of the returned man and training him to take his place in the industrial life of this country. I want to illustrate these points. We had to have vocational training, and when I came back from overseas, the first thing that I noticed was the fact of the great danger that would exist in the labour market of this country if we did not do something that would adequately train the disabled man to take his part, not as a disabled soldier, not as a disabled member of society, but rather by being able to take his part in the fight for existence, and establish himself in the social life of the country; and we were able, by a process of negotiations, to train a number of men in the Canadian National shops of this country. The man made a living wage and he followed his trade until the opportunity presented himself when he was an accomplished mechanic. During the whole period, however, he was getting a living wage, irrespective of his pension. He was getting his wages as a helper, and when he became a mechanic the wages went up every six months when his three years had expired, when he became a journeyman, and I want to say that there is not one of those boys, who were trained in the Canadian National shops, in the City of Winnipeg, who has fallen down on the job. I state to this committee with all the earnestness at my disposal that, to give any benefit at all, you must take cognizance of the fact that these men who were vocationally trained and after six months turned loose on the industrial market, have made good in only a few cases. I want to give one illustration out of many. An old fellow, 55 years of age when he came back from overseas, had been a section foreman on the railway prior to his enlistment. He came back here sufficiently disabled so that he could not take his old job again. He, however, had the right under the vocational scheme to say how he wanted to be trained in civilian life. This man had never had an elementary education—I say this meaning no disparagement against the man, but he had no education at all, so in the fitness of things they took hold of this old man and said, "Yes, we will give you a course, and the best one we have at our disposal this

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morning is a course in business training." So for six months he went to a business college in Winnipeg; he learned elementary English and he found that two and two made four, but now he is still seeking employment around the city of Winnipeg, doing absolutely nothing. Six months of this elderly man's time was lost to the country; there was six months when they had to pay to keep him at college, which was absolutely thrown away; it might as well have been thrown down the gutter, as to any benefit which this man derived. What I say, and I think possibly Parliament itself may agree with me, is that every one of these vocationally trained men who has not been placed in industrial life should again be surveyed. I do not blame it on the Department entirely, because a fellow may say, "I know very well I would make a good electrical engineer" or something, and he forced his opinion, sometimes, on the Department, and they gave him whatever he asked for. The result is that these men are totally unprepared for the industrial life in which they are called upon to live. I do suggest, sir, with very great seriousness, that this Committee might take cognizance of that fact in the drafting of the report, as to whether there cannot be a survey of all these vocational students. Those who are established in civilian life, and comfortably established—and I say I took a number of the boys at my own bench, and I am proud of the fact that not one of them has fallen down. It was a system under which every inducement was held out to the man to succeed. He can succeed, and if there is a fire in the railway shops tomorrow, and he has to look for another job, he can say, "I am a qualified mechanic, and I want a job." That is the point I want to make, and I do earnestly suggest that the question of the vocational student might occupy your attention, either along the lines I suggest—and I make the suggestion in all humility—that a survey might be made of all these boys, and if they are not properly fitted, if it means an expenditure of a little more money to save them, we are going to save it in the amount of money we are paying out in relief every winter. We are demoralizing the men by relief, and I tremble to think what next winter will mean, in the province of Manitoba. Conditions are equally bad as we get to the coast, and I tremble to think what next winter will mean if we do not do something now to keep these fellows off the labour market. I am talking now, of course, about the employable man; I am not here saying anything about the fellow you cannot employ. We have them in Canada and we have them in the army, chaps who would beat a parade in the army are causing today a great deal of worry. I am not talking about that class, I am talking about men who can be employed, and that is the type of man I want to impress upon you this morning. For the man who can be employed, in spite of the fact that it is going to cost money, I suggest that there should be some way of taking a survey of these men, do the best we can for them, and see that they are properly placed. I submitted this to the Royal Commission in Winnipeg, and Toronto has followed a scheme very similar to that. There should be a council in each great centre, in which the representatives should be equal; they should serve without pay or anything like that, and should advise the department and the man as to the best vocation he could take up. I want to say, sir, that the type of man who is not employable, of which a very good example was given by my friend who preceded me, is a type which is growing more prevalent as the months go by.

By Mr. Caldwell:

Q. What would you suggest that we should do with a man who wants a business course and is not fitted for it, or a man who wants an electrical engineering course and is not fitted for it?—A. I would say, "No; I am carrying out the will of Parliament, to train you to take your part in civilian life."

[Mr. A. E. Moore.]

Q. Who would you suggest should select this man's occupation for him, if he is not fit to do it himself?—A. I would suggest the same thing I suggested to the Royal Commission in Winnipeg. On the one hand would be an employer of labour, and on the other hand would be a representative of the returned men. They would sit around a table and as each applicant came in they would have the vacancies before them, and the individual men before them, and they would find out whether this man would fit into the particular niche they had in mind for him. If, by reason of lack of education or lack of adaptability, he could not take it—I know a boy who is an amputation case, who thought in his own mind that he was cut out for an electrical engineer. The closest he got to that was when he became a poleman for the street railway. He is an amputation case of the left leg, I believe. The point I am trying to make is that they were able to say to the department, "I want this, and I want that," and there was not anyone in direct supervision to say to this man, "You are not adapted for that; you cannot have that; we will put you at something at which we think you will make good." I would be very emphatic about it.

Q. Then supposing the man refused to accept that? I admit that it is a difficult problem?—A. Yes. If a man, after the circumstances were known, came to me and said, "I have not had a fair show," I would be tempted to order him out; I would be very much disgusted. I do not think the returned men, having seen the opportunity presented to one of their comrades, and having taken cognizance of all the facts, would do anything else. I am to-day prepared to admit, as far as the blame for this situation goes, that I would be inclined to place it 50-50. It lies with the department and the man they trained, because there was not that process of firmness. Lots of it was done through ignorance, but in a scheme of this kind there should be firmness. I think the General will agree with me.

Mr. Ross: I was just going to say I would disagree with that, because I have found that the department has said, "No, we do not think you are qualified for that," and I have found several cases where the department was very firm. They said, "No, we do not think you could make good at that," and yet the man wanted that particular course. I thought the department was right, but what can you do when the man says, "No, I will not take anything else." I have known half a dozen cases where the department has said, "No, your education will not let you go on and take up this particular course, and you will make no headway."

The WITNESS: I would say that these men—and I am talking now for myself—having had the opportunity, have no kick to make. I mean, it should not be left to the department, it should be left, as I said just now, to business men, to representatives of labour and representatives of the returned men, and these men could come before the Committee as a selection committee.

By Mr. Caldwell:

Q. And you are suggesting that this Committee should serve without remuneration?—A. Absolutely.

Q. Do you think it would be difficult to get committees of this kind in the different centres?—A. I could not say offhand, but in Winnipeg we had no difficulty. When the boys first came home we had a large committee of 28, an adjustments' committee who were taking care of the boys and placing them when they came back. That is why we were rather free from unemployment immediately after the war.

By Mr. Ross:

Q. Is it at work now?—A. No, it went out of existence. We did not advise the department; we took the men as they came back and placed them

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Mr. Ross: Your idea is a good one.

Mr. CALDWELL: There is no fault to find with the idea.

WITNESS: I think we will have to spend some money, and I think we should face the situation very quickly, admit that we made a mistake, that we have not done all we should have done, and be prepared to take cognizance of the fact that we have made a mistake and see that we do not make one in the future. I feel sure that my colleagues will be prepared to serve without any remuneration, or anything at all, so long as it meant some help to us in periods of depression and unemployment.

By Mr. Ross:

Q. Do you think they would be willing to take a survey of the men unemployed, that they would be willing to give their time to a survey of that kind?—A. I think so.

Q. You are speaking for Winnipeg?—A. I am speaking for the Veterans' movement. I anticipate that they would do it cheerfully, because it means a good deal to us. Now, I want to come to another type of boy, and this has a relative bearing on the question of establishing soldiers' homes. That is not a very nice name, but this has some bearing on it. There is a type of boy who is not employable, not because of laziness, but because of a peculiar disability, the neurasthenic case particularly. We have the vet-craft shops but they have certain limitations such as that the man must be drawing a certain amount of pension prior to being able to get into these shops. I want to give you three typical cases. In each province there should be a home established. This home would be for the purpose of taking care of ex-members of the forces who are aged prematurely and milder types of insanity and neurasthenic cases.

By Mr. Ross:

Q. Incurable diseases outside of consumption?—A. Yes. I would suggest a home in each province at a very small cost. I understand that they could be administered at a comparatively small cost. These men could be segregated in the different buildings. I would suggest that while they are in these homes their pension might be very reasonably taken into consideration as to paying part of the cost, so long as sufficient was left to the men for a little pocket money and they would not feel that they were dependent on charity. I would like these homes, if it were possible to establish them to be entirely dissociated from the word "charity." I would like to think that every man when he became too old would be taken care of. I am thinking of a man who was in hospital with myself, and who is now 75 years of age. I think he made a mistake when he joined the army. I think he told the doctor that he was 42. Anyway he got into the hospital where I was; old age had crept upon him. He was in France, he did his bit in the Forestry Corps, but he is 75 years of age. After a great deal of agitation he has been sent to the hospital possibly to spend the rest of his days. This is a type of case who was willing to do his duty in the war. He joined up, as lots of them did; lots of them went into the Forestry Corps or the Railway Corps or something of that kind, and did their bit, and the life they led there is leaving its mark now. They are getting to that stage of the game when they should be in some institution. I submit that if we could establish in each province a home such as this—I do not wish this morning to press the finality of the thing—but I submit that with careful thought you might be able to take some of the meat of what I have said and build something upon it. The other type of boy that I would put in there is the neurasthenic case. I have three cases in mind and I am positive that if there had been an institution of that kind the last of them would have been with us to-day. He was a lad who had obsessions, poor boy, that he was back in France. He had

[Mr. A. E. Moore.]

those periodical thoughts. The only way in which he could release his energy was by getting on the top of an engine and starting it in the railway yards. He had to get rid of his energy somehow. Well, he was put away. The psychiatrists judged him as being temporarily insane, but after a time he was released. He is now certified by the provincial psychiatrist who says "We will take care of this man because he is a danger to society." In his insane moments he is back in France and wants to be with the boys. He has never attempted to do any violence, but he gets into his mind that he is in France. If I remember rightly, he was a trumpeter and his officer was killed and the lad was blown up with the same shell which killed the officer. This boy was only seventeen years of age at the time of enlistment, and he is now only twenty-one or twenty-two. If we could get him into an institution such as I propose, I think we would possibly be able to make his life better for him. He would be associated with those he knew, and the chances are that in the long run he might eventually right himself.

I want to deal with one other case, just to show you the type of man. This poor boy was wounded at the second battle of Ypres. He has never done a stroke of work since 1916, when he arrived back in Canada. To show you what I think institutional care would have done, for a fortnight prior to his death, which took place two weeks ago, he planned his death, how he was going to die. He fixed up all the little things he had in this world, and he said good-bye to his widowed mother and said he was going out for a walk, and she was not to worry, as he did not anticipate that he was coming back. If the poor mother had phoned somebody, we might have been able to save his life. This boy threw himself into the Assiniboine River, and in my judgment, institutional care in that case would have saved his life. He was a bad case of shell-shock, but I anticipate that had he received proper care he would have been with us to-day, and possibly would have been rehabilitated into civilian life again. Now, Mr. Chairman, I am overstepping the bounds of propriety, I am afraid, but I do submit that these are two of the most important things that confront us to-day. The question of unemployment, and its relative bearing on the disabled man is also an important question. One of the honourable members gave you a very typical example this morning of an unemployable man, whose pension, based upon the statute you have laid down, is insufficient. No one will take him; he is one of the typical cases, and we have hundreds of them. Take a neurasthenic case; you cannot get him employed; no one will take him. If you do get him a job, a slackness comes along possibly a day or two afterwards, and he is let out. Some people may say that that is unpatriotic, but I do not know that it is. That is the trouble, so I say there is a class of people that you cannot employ without very very great supervision, and the honourable gentleman this morning made a very good case for this type of boy, which I am trying to do this morning. I do say, with all seriousness, that if we could only relieve the industrial market of the handicapped soldier, who is now trying, and who is always the under dog—he cannot get up; he is always the under dog, because if a man comes along and he wants an employee, the market is crowded. He is not compelled to take a man with a handicap; he wants the best he can get there. I submit, with all humility, that in drafting your report you give some thought to this matter. I might be wrong in my analysis, but I think if we can only relieve the industrial market of the handicapped soldier we will have gone a long way to have solved some of the difficulties in the great centres of industry in this country. I submit that to you this morning and I thank you very very kindly for your patience in listening to me.

The CHAIRMAN: In the name of the Committee I thank you and I wish to offer my thanks to the other representatives of the men who have been here to-day. They have made very important and very practical recommendations

[Mr. A. E. Moore.]

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to this Committee. I wish to make an exception, however, to that part of the recommendations which have reference to the Board of Pension Commissioners. I have no opinion to express as to those recommendations. Your suggestions have been very important and very practical. I would not want my words to be interpreted to mean that I concur in what you have said regarding the Board of Pension Commissioners. I do not, on the other hand, contradict what you say. I simply reserve my opinion as to that point: As to the rest of the recommendations, they are well appreciated by the Committee and I am sure the Committee concurs in the recommendations you have made. We have delayed the Committee until this late hour because I had been advised that Mr. Moore, the last speaker, and the others were desirous of leaving Ottawa to-day. Therefore, at this time, when you leave Ottawa, I wish God-speed to the representatives of the men. I wish you God-speed and I wish you would go back to the men with a light heart; that is that you convey to them a message of sympathy and appreciation on the part of this Committee. We are not unmindful of the fact, nor do we forget that the men have done their bit and that they have played the game, and I would not for one minute have consented to become chairman of this Committee if I thought that members of the Committee were not ready to do their bit and play the game to the men; but I know that all members of the Committee will do everything in their power to do justice to the men and to give them everything that can be given, having consideration to the resources of the country. This is the message which I am charging you to take to the men. On the other hand, in fairness and in justice to the Committee, you will also tell the men that we are not alone. Above the Committee is Parliament. Parliament is composed of two branches, the House of Commons and the Senate. The work of the Committee is to report to Parliament. We report to the House of Commons; then our recommendations have to be carried through the House of Commons by way of legislation, and after they have passed through the House of Commons they have to pass through the Senate. Therefore, if our recommendations are not all embodied into law, after this session is over, in justice to members of the Committee, I hope you will explain to the men that it is not our fault. As far as we are concerned, I am sure our report to Parliament and to the House of Commons will be satisfactory to you, and as Chairman of the Committee, having the care and the very agreeable duty to report to the House, you may rely upon me that the report which I will bring in will be in the most sympathetic words and expressions which my command of the language affords.

Mr. HUMPHREY: I would like to have the privilege of giving a notice of motion. May I have that?

The CHAIRMAN: Yes, surely.

Mr. HUMPHREY: In respect to a question that we might bring under discussion before this Committee, I would like this to be considered as a Notice of Motion that, in view of the evidence brought before this Committee, this Committee bring in a report to the House, recommending the dismissal of the Board of Pension Commissioners.

The CHAIRMAN: This will be discussed. The Committee will be convened by special letter, written under my own signature inviting them to a special meeting, at least one, to consider the report of the Committee to the House and also the important recommendations contained in that report, so far as legislation is concerned, and then I suppose it would be time to put your motion before the Committee.

Mr. HUMPHREY: There is nothing objectionable in giving this notice of motion.

[Mr. A. E. Moore.]

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The CHAIRMAN: I am glad you are doing so, but you do not expect we will examine that at this time.

Mr. HUMPHREY: No, this is a Notice of Motion that it is my intention to bring this under discussion before the Committee. It is taken as a notice of motion.

Witness discharged.

Committee adjourned.

HOUSE OF COMMONS,

COMMITTEE ROOM 436,

FRIDAY, July 4, 1924.

The Special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers met at 11 o'clock a.m., Mr. Denis, the Chairman, presiding.

The CHAIRMAN: We have here this morning Mr. E. S. B. Hind, Dominion Secretary-Treasurer of the Tuberculous Veterans' Association.

E. S. B. HIND called and sworn.

WITNESS: Mr. Chairman and gentlemen of the Committee, before starting with my evidence, I would advise the Committee that I am in receipt of a telegram from Victoria in which they say that they consider the present procedure of the Federal Appeal Board is very unsatisfactory. The reason for that is that they have no right of appeal on assessment. They also ask me to draw the attention of this Committee to the unsympathetic action of the Chairman of the Board of Pension Commissioners.

The next thing I would speak on is, yesterday General Ross made some remarks on the absence of medical documents on a man's file. That matter is treated at length on page 115 of the report of the Ralston Commission, in the first part of their investigation. Dealing with matters with which we are primarily concerned, our association requests the enactment of legislation giving effect to the recommendation of the Royal Commission on Pensions and Re-establishment.

The first recommendation that I have is supplementary to that of the Royal Commission as it appears on page 49 of their report. It reads:—

“That the recommendation of the Royal Commission (page 49 of report) be extended to ex-service men, pensionable on account of tuberculosis, who are not inmates of sanatoria, when the presence of tubercle bacilli is found in the sputum, or where he is diagnosed as an active case.”

The purpose of this is to insure that when either through his choice or through departmental action, a man who is an “active” case is not admitted to a sanatorium he shall have the pension that applies to his particular classification.

It might happen that treatment for certain cases might be discontinued. In that event, they might say that as he had not been through an hospitalization they would not pay him full rate. I do not say that they would do so, but our experience has been such that if there were any possible means by which some members of the Pensions Board can avoid the intention of Parliament and the parliamentary committees, they will do so, and this is put in as a safeguard, an insurance that if a man is bacillary positive or clinically active he will get the same treatment by remaining out of a sanitarium as if he actually were admitted.

I don't know, Mr. Chairman, that it is necessary for me to elaborate and state why the full pension for any length of time should be paid to the tuberculous. That has been pretty well dealt with; the present practice is in recognition of that.

Perhaps it would be just as well for members of this Committee who have not served on previous committees if I were to read a few extracts. This one is from an article by J. Byron Deacon, Director New York Tuberculosis Association. In the second paragraph of this article he says:—

“They”—referring to the tuberculous—“cannot cope with the general run of jobs in regular industry. They are candidates for sheltered jobs, for part-time jobs—but such jobs are scarce as Democratic office holders in a Republican administration. Many of the lighter jobs are fulfilled by women and pay a woman's wage. And the light outdoor job is a mere myth.

“Tuberculosis is a ‘poor man's disease.’ Generally speaking, people are poor because they are less economically skilful, useful, productive, adjusted than other people. Therefore, the fitting of the tuberculous into employment in many cases is attended with the difficulties that usually surround the placement of unskilled workers.

“The tuberculous person, for his health's sake, really should enjoy the income and the working conditions that appertain to the more skilled jobs.

“If the consumptive be one who has had the discipline of treatment in any good sanatorium, or by any able tuberculosis specialist, he is saturated with an appreciation of the importance of rest, and of the avoidance of undue strains, of exposure, of the dangers that may lurk behind the cold, the sore throat, and other minor maladies. But, from the angle of the employer, this disposition to avoid strains, exposure, and to absent himself from work at the onset of any slight sickness, is slackness, irregularity, unreliability. And these are qualities which, in a worker, are anathema.

“The tuberculous person is an object of fear to many people. While there is probably no warrant for fear of infection of adults by a diseased fellow worker, especially if he be trained and careful, nevertheless he is feared, and this fear operates as a distinct obstacle of his employment.

“There is little or nothing in this country, either in the home, or the institutional treatment of the tuberculous to prepare them vocationally for a return to work. The time spent in taking the cure does not contribute vocationally to a patient's industrial fitness. Perhaps it is not inaccurate to say that this period in tuberculosis treatment contributes to the patient's industrial debilitation rather than his rehabilitation.”

This was written for civilians, but applies with equal force to the ex-service man.

In order to save time, I will file in support of my recommendation No. 1, Exhibits “A,” “B,” “C” and “D.” All of these exhibits are extracts from the Board of Tuberculosis Sanatorium Consultants, who toured this country in 1920.

The CHAIRMAN: They may be incorporated in the record.

EXHIBIT "A"

*Report of the Board of Tuberculosis Sanatorium Consultants No. 6,
(1-12-20) Page 9, Sect. 17-22.*

17. If the urgent need of systematized aftercare is admitted, its main objective from a health standpoint might be briefly summarized as the prevention of relapse, or its postponement for as long as possible. In attaining this objective the financial compensation or assistance, which the tuberculous ex-service man receives from the Government, whether in the form of pension or pay and allowances, is manifestly a very important factor and cannot be omitted from a discussion of after-care, although it is recognized that the responsibility for this provision does not rest alone with the Department of Soldiers' Civil Re-establishment. As we have urged elsewhere (B.T.S.C. Report No. 1) this monetary provision should be sustained throughout the whole period of readjustment following the patient's discharge from the sanatorium and it should be adequate to defray all necessary expenditure.

18. In recommending for adoption the new scale of pensions which had been determined upon and which on the 1st of September, came into effect (viz a 50 per cent bonus added to the standard or basic rate of 1917) we feel that the Parliamentary Committee showed that the amount of the 100 per cent disability award compared favourably with the salaries being paid to civic employees throughout Canada, and was sufficient to cover the average cost of living as indicated by the reports of the Department of Labour and the results obtained by "exhaustive study" by competent and disinterested investigators both Canadian and American (9). We recognize further that a comparison with pension scales of other countries shows that Canada has awarded greater compensation to her disabled men than has any other country, with the single exception of the United States in the case of a pensioner without dependents (9). It is obvious also that the pension scale must be uniform throughout the whole country irrespective of local conditions affecting the cost of living. Though an increased scale for tuberculous pensions, would doubtless meet with severe criticism from those suffering from other disabilities, nevertheless we feel that the peculiar characteristics of the disability resulting from tuberculosis and the special demands on the patient's income required to secure, or even to maintain, quiescence or arrest of his disease, would at least justify the most liberal application of the existing scale and (for those actually 100 per cent disabled) of the helplessness allowance. This liberal application should, we feel, be based upon a generous interpretation of the degree of disability in each individual case since a special and increased pension scale for the tuberculous is probably impracticable.

19. Bardswell, at a Royal Sanitary Institute Conference in 1919 (10) went so far as to say "A tuberculous person, so long as he was a tuberculous person, should have the full rate of pension." The close relationship between the patient's income and permanency of sanatorium results is well illustrated in a comparison by Lyman (11) between Gaylord Farm and Otisville Sanatorium discharges where the much better result in the case of the former is accounted for by the fact that their average weekly earnings were more than double that of the latter.

20. *Tuberculous Pensioners' Requirements.*—The tuberculous pensioner, perhaps more than any other, requires general consideration financially, partly because of the demands that must be made upon his income to render his dietary suitable to his special needs. His special require-

ments also in the way of fuel and clothing and possibly in structural alterations or adaptations of his dwelling, to enable him to live according to the recognized principles governing the treatment of his disease, are legitimate reasons for additional financial provision. Furthermore, the prognosis of a tuberculosis patient is undoubtedly most unfavourably affected by depression resulting from any anxiety over the straitened circumstances of himself and his family. "A lean purse is the main cause of relapse."

21. *Tuberculous Pensioners' Limitations.*—The determination of the degree of disability of the tuberculous man is one of peculiar difficulty. A wide latitude in the direction of the most generous interpretation of the Act both as regards the amount and duration of the pension awarded is justified as his "working capacity appears greater than it really is." (British Inter-Departmental Committee on Tuberculosis) (12). He requires a longer time to recover from fatigue than the normal man or a completely cured amputation or other surgical ex-patient. Auto-inoculation from relatively healed areas of tuberculous disease occurring during exertion causes depression and lowering of resistance, which may ultimately result in relapse. As the conscientious tuberculous patient is required to sacrifice his hours of leisure to monotonous and wearisome recuperation in order to maintain the balance between his disease and his resistance, it does not seem unfair to consider that this additional sacrifice warrants a more generous award than that to the pensioner who is able to dispose of his leisure as he pleases.

22. It has been stated (Hume Cronyn) (9) that in the technical use of the term "total disability" under pension laws, the severity of the wound or disease is considered in addition to the inability to earn a living in the ordinary labour market. An important factor in the consideration of any degree of disability of every ex-service man who has had tuberculosis in his greatly lessened expectation of life.

EXHIBIT " B "

Page 41, Twenty-first Annual Report of the Canadian Association for the Prevention of Tuberculosis.

"An investigation of the results obtained amongst the patients treated at this sanatorium at Saranac Lake, New York, where for many years a reasonable effort has been made to restrict admissions to the early and more favourable type of case, shows that after twenty years over 80 per cent of those discharged from the institution are dead, of whom 92 per cent or 75 per cent of the total, had died of tuberculosis."

This is very significant when it is borne in mind that the recommendation of the Royal Commission applies to the "moderately advanced" and "Advanced" cases only.

EXHIBIT " C "

Report Department of Civil Re-establishment for the year ending December 31, 1923, Paragraph 1, last sentence:—

"Readmissions were 72.36 per cent compared with 69.8 per cent in 1922 and 55.7 per cent in 1921."

Note the number of relapsed cases has greatly increased since the Report of the Board of Sanatorium Consultants, 1-12-1920.

EXHIBIT " D "

Report of the Board of Tuberculosis Sanatorium Consultants, No. 6 (1-12-20), Page 20, Sections 48-52.

48. It is therefore all too manifest how very rarely indeed is the opportunity for suitable employment afforded the average type of ex-sanatorium patient, if, to the conditions existing in the ordinary labour and industrial markets, the complex of principles just indicated be applied as a standard. As a rule, he is hopelessly handicapped and not infrequently permanently so. "The tuberculous veterans" are probably more or less mutilated for life, whereas a soldier with partial destruction of limbs can be re-habilitated by intensive training in some fit occupation (27).

Part time jobs are few and far between and are generally reserved for old employees. Business men cannot be expected to take into their factories, shops, or offices, new employees who are unable to do a full day's work and who are liable to have to lie off from time to time. As the war recedes farther into the past those who from a patriotic motive made exceptions in favour of ex-soldiers are daily becoming less numerous. The suggestion that two men, each working half a day, take over one fit man's job is found in practice to be unworkable. Even if employers could be found who would take on the average tuberculous patient with all his limitations of service, they would not likely long retain him. The concessions as to hours, etc., which would have to be made would soon create a great measure of discontent amongst fellow employees, especially as the disability of the ex-patient might be far from evident to them. Indeed it has been found that actually the great majority of employers would far rather be called upon for a direct financial contribution than be asked to find employment for the sub-standard tuberculous man.

49. Even the 75 per cent efficient physically are practically 100 per cent disable as far as opportunities for suitable employment under ordinary conditions are concerned. It is seldom that a full day's work is not demanded from an employee if he is to expect to retain a position permanently.

50. Phthisiophobia—Phthisiophobia on the part of employers and fellow-workers is also undoubtedly an important factor in limiting opportunities for employment. It is true that certain investigations that have been made would suggest that this is negligible. In answer to a question put to his ex-patients with regard to evidence of phthisiophobia on the part of "neighbours or fellow employees" Lyman (11) from 633 received 590 negative and only 43 affirmative replies, while many of the latter were based on instances of trifling character. The inquiry as worded did not, however, include employers. Moreover, this investigation was made in Connecticut where an intensive anti-tuberculosis campaign carried on for many years had enlightened the public. In health resorts like Saranac Lake, it has been found also that "education through observation and experience has dispelled phthisiophobia" (29).

(29). Nevertheless a very appreciable degree of prejudice undoubtedly exists in the majority of communities (30) and many instances of its pernicious effect could be cited in Canada. This prejudice has a very definite bearing on the consumptives' chances of getting employment.

While everything goes to show that the hygienic precautions taught the patient in the sanatorium when consistently practised are thoroughly

effective in controlling the distribution of tubercle bacilli, the exhibition of the very measures adopted for the protection of the public stigmatizes the conscientious patient. This stigma acts as such a barrier to his progress, that he is finally forced to abandon all precautions since the treatment accorded him in this regard is such a contrast to that experienced by the careless consumptive who takes no precautions which advertise his condition.

51. Owing to the very few opportunities for any employment, there appears to be also some danger of the unscrupulous endeavouring to exploit the tuberculous pensioner by offering to supplement his government compensation by pay quite inadequate to the work demanded.

52. It was the realization of the great paucity of opportunity for suitable occupation in which the tuberculous ex-patient could earn a reasonable livelihood without unduly jeopardizing his unstable health that justified the conclusion of Varrier-Jones that "a consumptive with moderate disease is as utterly incapable of earning a living under present economic conditions as an epileptic." Apparent exceptions to this sweeping statement will of course at once occur to every one. When these are carefully analyzed, however, it will almost invariably be found that either the character of the work or the condition under which it is performed have been materially modified by a considerate employer, frequently a relative. Occasionally also a high degree of skill may mitigate the handicap of the patient's physical limitations.

The WITNESS: Before passing on, Mr. Chairman, I would like to draw attention to the remarks immediately preceding the recommendation of the Ralston Commission, as appearing on page 49 of their report. They say, "If the patient is not cured actually at the end of the two-year period he is probably a chronic case, and he requires a total disability pension." When they say that, they are simply voicing the consensus of opinions of tuberculosis experts throughout the country. There is not any plain and definite recommendation to insure that advanced cases be acknowledged 100 per cent for life. I will not, therefore, ask that that be done, but I think it would be a splendid thing, and I think anybody will agree with me who appreciates the psychology of the tubercular. If these men would know that their pensions would not be reduced without one or two years' notice, it would help a great deal. A man who is in an advanced category stage is regarded as having a very small expectancy of recovery; I do not know that there is one in one thousand.

Recommendation No. 2: That if possible a definition of "clinical activity" be clearly stated. In dealing with ex-service men, it is necessary for us to know what basis the Pension Board uses. In this connection, in order to have uniformity, we suggest that the diagnostic standards of the American National Tuberculosis Association be accepted. There are reasons for this. There are some specialists who probably are very, very conservative, and unless activity has been conclusively demonstrated, they simply abstain from saying it has. There are others who have, if the man has exhibited any of the special symptoms associated with the disease, concluded the man is active and have so classified him. I have it on the authority of these specialists that it is impossible to say in definitely diagnosed tubercular cases when activities commenced or ceased. This, of course, is only applicable to those who are definitely diagnosed; it does not apply to those who are doubtful, or where a proper diagnosis has never been made. We would like to have some definition of what the Pension Board understands by "clinical activity." We do not suggest, because a man manifests certain symptoms he should be regarded as being an active case if it can

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be shown that these symptoms were the result of intercurrent diseases; but in the absence of positive evidence that the symptoms were due to intercurrent diseases, and a man is definitely diagnosed as tubercular, I say you should regard that as a manifestation of tubercular activity.

The third recommendation is: "That the recommendations of sanatoria superintendence as to 'work tolerance' on discharge from sanatoria be accepted by the Pension Board as the basis for pension payment, if the man is pensionable and activity has not been demonstrated while in sanatorium." My remarks regarding the impossibility of determining at times whether or not activity exists, apply in this case also. There are certain cases that are regarded as cured cases. We have had those cases. A great many men have been reduced to a minimum pension—that is (there is no definite minimum), reduced to a very low rate. These men have had a relapse and went back to sanatorium. When you consider these men were given a very small pension, and it is difficult to induce the Pension Board to pay retroactive pensions, you can readily see there is a hardship on these men. There are some men who are non-tubercular. There are many pulmonary diseases besides tuberculosis. I cannot state exactly the number of them, but there are a great many, and we feel that a superintendent who sees a man, and who has had him under observations for months, is in the best position to determine that man's fitness for work, even if he is a non-tubercular case. If the superintendent orders a pulmonary case to a 50 per cent rest, he ought to be able to take it. At the present time I am not satisfied he is so able. We have case after case where a man is awarded a pension which will not permit him to follow the directions of the specialist. It is physically impossible. You cannot tell a man to rest 50 per cent of his time and pay him a 25 per cent pension. A 50 per cent pulmonary case is to all intents and purposes a 100 per cent case, as far as it affects the man's earnings and ability to earn his living on the open labour market. The Board of Consultants state that any man who is 75 per cent disability from pulmonary disease must be considered 100 per cent disability for this purpose.

By the Chairman:

Q. How many members are there in your Association?—A. I should say at the present time there are about 2,400. In explanation, though, I am obliged to say that some of those members are not paid-up members. We collect a small fee from these men, or, rather, they pay membership dues on the basis of a fraternal organization, but many men do not pay anything; they are men who are not on pension, and who have no means. We take up their cases; in fact, this money we collect from our own members is used for advancing the claims of men not on pension. In other words, their less fortunate comrades are looked after. In addition to that we have contributions given to us by a sympathetic public, and none of our officers are paid officials. There are expenses incurred in our adjustment work; we have to bear the burden of those expenses, as we get no assistance whatsoever. There are no salaries paid. I am not a salaried officer.

Q. How long has your Association been in existence?—A. Under its present name it has been in existence since 1921. It became Dominion-wide in 1921. Prior to that there were little associations in connection with each sanatorium where tubercular patients were treated. It was known at that time as the Invalid Tubercular-Soldiers' Welfare League. It may appear unreasonable for us to have an association of ex-service men suffering from tuberculosis banded together, but I think the Committee has heard sufficient evidence to cause them to realize there was a very definite need for such an organization.

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Q. Does that figure of 2,400, which you gave us, include all of the tubercular men?—A. Yes.

Q. What were the numbers a year ago and two years ago?—A. Last year the number was approximately 1,500 paid-up members. As I say, a paid-up membership—

Q. Leaving aside the paid-up members. I mean all the members, all those who need help?—A. Those who need help? You must not regard our membership as any indication of those who need help.

Q. How many members have you in your organization, no matter whether they are paid up or not?—A. I should say at the present time there are over 1,800.

Q. You just said 2,400.—A. I am making some allowance. I can never tell definitely a month ahead, until I get a report from the Branch Secretaries. We have men who cease to be members; their dues become due, and after three months they cease to be members, but we take up their cases if necessary.

Q. The greater part of them are in the province of Ontario?—A. Oh, no. They are not by any means localized in any particular province.

Q. They are all over Canada, but how many in Ontario?—A. I should say a large percentage are in Ontario, but on account of the largest centre, Montreal, being in the province of Quebec, we have a considerable number there. We must have approximately 300, I should say, in the city of Montreal. We also have a few members in Quebec city and the rural districts.

Q. All right, proceed.—A. I will go on then with the next recommendation, No. 4. We ask that an appeal be allowed in cases of reduction of pension because of refusal of hospitalization. That is section 29-1 of the Pension Act. It is felt in many cases excellent reasons exist for the refusal of treatment, but these are not always given full weight by the Board of Pension Commissioners. Again, a man on half-pension, but totally disabled, cannot obtain the necessities of life, and his health is further injured. The worry brought about by the cut in his pension, and the needs of his dependents, militates against his recovery. This is considered by the men to be in the nature of punishment and not as a reason for returning to sanatorium. Very often the pensioner has only a short time to live, and his desire to be with his family is natural, and unhappiness in his last days is caused by the pension cut. Although further hospitalization might lengthen his life, a pension-cut shortens it. You will understand, Mr. Chairman, that the average life is considered to be approximately 14 years.

Q. The average life—A. Of a tubercular subject. A man becomes a chronic case—

By Mr. Raymond:

Q. Do you means 14 years after he is recognized to be tubercular?—A. Yes; from exacerbation, yes.

By Mr. Wallace:

Q. Would that include the incipient cases?—A. I presume the incipient cases are taken into consideration to arrive at the average, yes. You will have to take in all cases if you are going to arrive at an accurate average.

Q. That would average all cases?—A. Yes; 14 years would include the incipient cases. There are men to-day who are advanced cases. They are in an ambulatory condition. There is very little to enable the layman to distinguish them from healthy people. These men feel they should be permitted to remain out of sanatoria, and I think where these men have been accorded a reasonable treatment, say a period of a year, on in the opinion of the specialist that further treatment could not substantially aid them, these men should be permitted to remain out of sanatoria, if they so desire. You have to bear in

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mind that to keep a man under treatment costs a great deal more than to pay him a full pension. That statement was made specifically by the Ralston Commission. There are domestic reasons, and many reasons which will appear to the members of the Committee, why a man might not want to go back to sanatoria. If he refuses, and his refusal is regarded as unreasonable, they can cut his pension by 50 per cent under that clause of the Act. A man might have family difficulties—I will not enumerate what they might be, but they will occur to members of the Committee. Take myself, I might be required to return to treatment. I would consider that my appearance here was required in the absence of some more able man, and I would feel I was not justified in returning to treatment, and I would refuse. If I did so, I would have put it within the power of the Pension Board to cut my pension.

No. 5: That the pension bonus be made permanent. I do not intend to speak on that subject. I had an exhibit here, which is numbered, but I do not think there is any necessity for filing it. It is really a repetition of Exhibit "A" already on file; it is paragraphs 19, 20 and 21, in support of making the bonus permanent. I would say here, to put the figures on record, that under the present scale, with the bonus, a man, his wife and the three children are drawing \$137 a month, but without the bonus they will be getting only \$112; a single man at the present time draws \$75; without the bonus he would get \$50. The Committee will decide whether they consider that \$50 is an adequate pension for a man who is suffering from tuberculosis. You can readily understand how much difficulty these men experience in getting accommodation. If it is known that a man is tubercular he will not be permitted to room in a moderate-priced boarding house.

No. 6: That the Appeal Board shall have jurisdiction in cases of assessment of pension in addition to entitlement, as at present. There are many cases of inadequate pensions which can be cited, and it is a matter of most urgent moment that immediate effect should be given to a recommendation of this kind. It is felt that it should be possible to appeal the decision of the Pension Board in case of assessment, when same is inadequate. At the moment there is no appeal from a decision in the matter of assessment made by the Board of Pension Commissioners, and no authority exists for disputing a decision even though same is glaringly incorrect. It is suggested that no body of men, however good their intentions may be, can in all cases render a just decision. Injustice must continue in some cases under present conditions. I would ask that in support of the resolution, No. 3, I be permitted to file Exhibit E. I overlooked that.

EXHIBIT E

Report of the Royal Commission on Pensions and Re-establishment.
Page 114. paras. 3, 4 and 5.

Many instances were given in evidence where the local Pensions Medical Examiner, after seeing the applicant and hearing his story, was of opinion that the disability was related to service but his opinion in this respect was over-ruled by Assistant Medical Advisers at Headquarters and pension refused. The decision of many of these cases depends not nearly so much on medical knowledge and experience, as on the history given by the man of his ailment in trying to establish that it originated during service and has been continuous since. On well recognized principles, the examiner who has the opportunity of seeing the man, listening to his story, testing his genuineness by means well known to men of experience in this work, and generally sizing him up, is in a far superior

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position to one whose knowledge of the case only comes from the written reports of another and therefore depends, to a large extent, on the ability of this other to put into words the actual conditions which he has observed.

There is the further consideration that very often the evidence establishing continuity is supplemented by statements of a man's family and friends and by other people who know him in the community, and speaking generally, the opportunity for a local Pensions Medical Examiner to enquire into and judge of the weight and value to be attached to these is at least equal to and generally greater than that of a medical adviser at Headquarters. The apprehension that the local man will be more easily affected by considerations of sympathy, has (as will be seen from the evidence of Mr. Archibald quoted hereafter) proved unfounded in connection with his estimate of the degree of disability, and there therefore seems to be no reason why this should be an objection in giving at least equal weight to his opinion as to the relation of the disability to service.

There are cases, of course, when pensionability depends on factors other than those mentioned above, but the Commission considers that where the decision as to the relation of disability to service depends on evidence such as has been indicated, even though there is conflicting medical opinion, the views of the local Pension Medical Examiner as to pensionability are entitled to just as much consideration as his opinion respecting the degree of disability.

No. 7 is that a definite minimum pension for cases classified as "moderately advanced" be set in the cases of other disabilities. In support, Mr. Chairman, of that request I am filing Exhibit F, which is an extract from the report of the Board of Tuberculosis Sanatorium Consultants, of 1/12 '20, page 11, paragraph 1-4. You will note that we are not asking the establishment of a definite minimum for incipient cases alone. In fact, I would say that at the present time there are very few incipient cases in the care of the S.C.R. This report of the Board of Tuberculosis Consultants was made three years ago, in 1920. Conditions, since then, if they have changed at all, have changed for the worse and we are asking this for moderately advanced cases. I would draw particular attention at this stage to Exhibit B, which I have filed. This is a report which is already on file. I do not think I need read it.

The CHAIRMAN: No, it is on file.

The WITNESS: I will draw the Committee's attention to Exhibit B.

By the Chairman:

Q. If you need to explain it you might read it?—A. Page 41 Twenty-first Annual Report of The Canadian Association for the Prevention of Tuberculosis.

"An investigation of the results obtained amongst the patients treated at this sanatorium at Saranac Lake, New York, where for many years a reasonable effort has been made to restrict admissions to the early and more favourable type of case, shows that after twenty years over 80 per cent of those discharged from the institution are dead, of whom 92 per cent or 75 per cent of the total, had died of tuberculosis. This is very significant when it is borne in mind that the recommendation of the Royal Commission applies to the 'moderately advanced' and 'advanced' cases only."

There appears to be evidence from the files that came under my notice that the Pension Board officials regard many of these cases as cured cases. They

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have, in the most favourable cases, assumed that there is an absence of objective symptoms. Every medical specialist admits the existence of prohibition. Prohibition is recognized as pensionable disability. The tuberculous have never had any minimum scale settled for that. There were many men who were coming into the sanatorium, suffering from pulmonary diseases and it took a considerable time to diagnose these cases. A great deal of difficulty was experienced. There were pulmonary diseases other than tuberculosis and it was necessary to make absolutely certain to eliminate tuberculosis as a factor, and we feel that at that time there may have been certain good reasons against the placing of a minimum pension for those diagnosed as tuberculosis. At the present time there cannot be any good reasons. These men we are dealing with to-day are moderately advanced. I am filing Exhibit F, in support of this recommendation, and in connection with the last paragraph of this exhibit some remarks are made that might lead one to believe that there was some qualification in the minds of the specialists when they made their recommendation. I think I have dealt with that. At the time they made their recommendations conditions were a great deal different to what they are to-day. But then, at the time they made that recommendation they say that of all cases where these patients, treated in sanatoria since 1914, considerably under 800, only 8.6 per cent were non-tuberculous. That is page 38 of the report of the Tuberculosis Consultants, quoted previously. I will file Exhibit F.

EXHIBIT F

Minimum Pension—Report of the Board of Tuberculosis Sanatorium Consultants No. 6 (1-12/20), page 11; paragraphs 1-4.

Dr. Picken, Assistant Medical Officer of Health, Glasgow, in discussing the importance of this factor in fixing the pension of the tuberculous (13) arrived at some interesting conclusions. He found the average expectation of life of all males of the age of thirty, notified in Glasgow as suffering from pulmonary tuberculosis, to be about $3\frac{1}{2}$ years; of those notified at an early stage with hope of recovery, $6\frac{1}{2}$ years; and of arrested sanatorium discharges, about 14 years. As the normal expectation of life for age 30 (which he takes as the average age of the pensioner) is not less than 30 years, he contends that since the expectation of life of patients who have secured the best obtainable results of treatment is less than half the normal, the irreducible minimum pension for a tuberculous ex-service man should be 50 or 60 per cent.

A somewhat similar recommendation, but based on the degree of disability, was made to us by a Canadian medical officer much interested in the question of pensions for the tuberculous, who stated it as his belief that "a moderately advanced" case of pulmonary tuberculosis has a permanent disability in the general labour market of about 50 per cent. He pointed out that many pensioners would be greatly aided in shaping their future lives if it was recognized that a moderately advanced case, arrested, would never have his pension reduced below 50 per cent.

The British Inter-Departmental Committee in 1919 also recommended a minimum assessment of 50 per cent for the tuberculous pensioner (12) and in the same year the (American) National Tuberculosis Association passed a resolution favouring a minimum pension of 25 per cent (48).

Although, because of the relaxation of medical supervision involved we are not in sympathy with the suggestion made to the Parliamentary

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Committee that pensions to the tuberculous should be permanently fixed or that the periods between revisions should be greatly extended, nevertheless, we feel that the fixing of a minimum rate for certain classes of cases definitely diagnosed tuberculosis is worthy of careful consideration. If, as is probable, this would result in reducing the number of relapses by a certain, though at present, indeterminable proportion, the gain from a humanitarian standpoint would be great, while the increased cost to the country would be greatly offset by the decrease in the cost of treating the patients saved from relapse. It is, of course, unnecessary to point out that the average cost of institutional treatment is considerable in excess of even a 100 per cent disability pension.

The statement of these men is sufficient, I think. I would also say that in the report they quoted precedent. There is precedent for such a request as I am making. I will not dwell on it at length. I presume this is going in the record and will be given proper consideration. They quote British authority and American authority in support of such a measure. No. 8 then is:—

“That the present regulation requiring that tuberculosis make its appearance in one year of discharge to be modified to allow any reasonable period to elapse before diagnosis. Considerable time elapses in many cases between onset of tuberculosis and the definite diagnosis.”

By Mr. Scammell:

Q. Might I ask this question. You mentioned something about the reduction of 50 per cent for unreasonable refusal of treatment, and you recommended that the man would be better at home, that his removal to his home should not be regarded as unreasonable refusal?—A. Yes, I said that.

Q. It is generally regarded as the policy of the Board of Pension Commissioners and certainly on the part of the Soldier Re-establishment that such a case be acted upon. Do you know of any case where it has not been?—A. I think I can say that I do. I know of cases where the local pension examiner has required the man to return to the sanatorium. The man would not appear before a medical specialist until he actually went back to the sanatorium. The matter is purely discretionary with the Commission. Reasonable refusal of treatment is not defined.

Q. Because there are a number of cases where men are sometimes very ill, where they probably would benefit and live a little longer by remaining in the institution and in view of medical experience it is thought desirable that they should go home. These men are not regarded as unreasonably being refused treatment?—A. No. It is purely discretionary with the Commission. A man could be kept in the sanatorium, a hopelessly advanced case, can be kept in the sanatorium for three years. You will admit that is possible, and the medical examiner is the sole judge as to whether the man's reasons are reasonable or not. It is a matter of personal knowledge to me that advanced cases had been compelled to go back to the sanatorium. There are men who have had previous hospitalization for a year and over. I do not think a man, whose home surroundings are satisfactory, should be compelled to go back if he has only a short period to live.

By Mr. Black (Yukon):

Q. Is that not the best place for those advanced cases?—A. No, it is not. There are men, who if they have proper homes, are fully aware of the necessity of exercising care. They are trained in the exercise of that care and if their home surroundings are what they should be, these men are less dangerous than a man who has tuberculosis and is not conscious of it. These men exercise

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precaution. They are less dangerous than a man who is spitting on the floor and who does not know he has the disease.

Q. It is surely as dangerous to have him at large?—A. Active cases of tuberculosis?

Q. Yes?—A. There is no provision by which you can segregate an active civilian case.

Q. There ought to be?—A. There are some people who hold that opinion but I think the opinion is justified, where that man has not been properly trained to exercise the necessary care to avoid infecting other people, but since he has been trained, there is no danger. I am supported in that opinion by the highest medical authorities. Providing he can be relied upon to exercise the necessary care he is less dangerous to other people than a man suffering from a cold. There are cases of men, who may be single men, without relatives and with poor home conditions and men who probably do require some place; in fact, they absolutely have to have some place in which they can reside, but even in those cases the sanatorium is not the place for them. A home for the incurable or some similar place is the place for those cases. They are occupying a bed that might well be occupied by cases in less advanced categories, for the purpose of training, for incipient cases that might be brought to a condition of arrest. These advanced cases are occupying that space. They should not. I think all medical men will agree with me on that ground that the sanatorium is not the place for them. The general practice in ordinary sanatoria, prior to the war, was to keep patients only six months. There were cases, of course, particularly where the man had means, when he could stay a much longer period. Generally speaking, they did not keep patients for more than six months. I think in justification for a lengthy treatment is that the Department of Soldiers' Re-establishment will be able to point to an extension of life on the part of those who were treated by them, for this reason, that they gave them a longer hospitalization. I am not quarrelling with the long hospitalization as long as it is not carried too far. If you have not done something for the man, after a year's treatment, the chances are you never will do. Therefore, if he finds he has to leave you might as well let him leave, under such conditions.

Q. After a certain period you would abandon the attempt to cure?—A. Yes. A great many of these men were away for a year and for four years from their families. They have children but they have had very little contact and they feel that these children require parental direction; they feel there is a definite need for their presence at home. It is perfectly true that a great many of these men cannot do any physical work.

Q. What do you suggest? A. I say that the present regulation should be modified. That was Clause 4, recommendation No. 4. At the present time it is discretionary with the Board of Pension Commissioners. I feel some evidence should be allowed as to what constitutes reasonable refusal of treatment. I think it has been pretty well established before this Committee and previous committees that the decisions of the Pension Board represented determination not to pension. Here you have means that they could take advantage of. A man's condition might warrant a high rate of pension and under that clause they can reduce it. If that answers your question, I will proceed. No. 8 is that the present regulation requiring that tuberculosis make its appearance one year after discharge be modified to allow any reasonable period to elapse before diagnosis. Considerable time elapses in many cases between onset of tuberculosis and the definite diagnosis. Before proceeding, I will say that Dr. Kee, when he was on the stand, admitted that it took a long time for tuberculosis, in many instances, to develop in such form as it was recognized. We must also remember that the first examination that the patient

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has is probably before a general practitioner and not before a specialist. We contend that the clause is unreasonable. In this connection I am going to file Exhibit G. This is by the Rt. Hon. Sir Clifford Allbutt, P.C., K.C.B., F.R.S., F.R.C.P., London, and P. C. Varrier Jones, M.R.C.S., England. He has written very exhaustively on the subject and I do not need to pass any comment on it.

EXHIBIT C

Tubercular Veterans Association

By the Right Hon. Sir Clifford Allbutt, P.C., K.C.B., F.R.S., F.R.C.P., London, and P. C. Varrier Jones, M.R.C.S., England.

"Difficulty of Early diagnosis—How is it then that medical advisers do not see the early cases? The reasons are many and intricate, in the early case the symptoms are few, so that, generally speaking, the warning signals are passed over as trivial or transient, even by the patient himself. We pride ourselves on being a hardy and "common sense" people; we can "put up" with things. That tired feeling, on which Sir James Kingston Fowler lays so much stress as an early sign of pulmonary tuberculosis, is resisted; we urge ourselves to "carry on." Indeed we feel proud that we can "throw off a cold," as we have thrown off many a one before. We do not believe in "running off" to the doctor as soon as we feel out of sorts. Our pride, and later perhaps our fear, prevent us from seeking medical advice. So follows the usual story; impelled against our will, persuaded by our relatives and friends, we seek advice but, from the sanatorium point of view too late. The usual rebuke "You ought to have come before," falls on deaf ears; in the world, as we know it, we should have done the same ourselves; we likewise should have stuck to the post of duty—duty to our family, duty to our business, duty to the State. Indeed is it not better to be of such a temper rather than timid, or hypochondriacal, or alarmed by any passing ailment. Really the early symptoms of pulmonary tuberculosis are so vague that at first the patient's attention is not seriously challenged by them. Thus it is that the consulting physician and the family physician too often never see the patient until the disease has done much of its insidious work, until advice and treatment are no longer easy, but must now be carried out at second best as may be practicable. If a man who can afford to be laid up neglects to take timely advice, or to undergo timely treatment, how much more excusable is it in a man who has wife and children dependent upon him for their daily bread? For this man the diagnosis of pulmonary tuberculosis reveals a calamity. He cannot afford to leave home for an indefinite length of time. Who is to keep the home together? Will his job be open to him on his return? If not, how then is he to earn his living? We have pointed out before that the actively sympathetic employer is rare; and, be the phase of the disease early or late, slackness in mill or factory is often rewarded by dismissal. The reasons, then, for the failure of early diagnosis lie in "human nature" and in economics. Is it not because in the case of the well-to-do we have ignored the human factor, and in the case of the working man the economic, that we have built up a system for the treatment of patients at an early stage, when they do not, and so far as we can see at present will not, come up for treatment? For such cases our large sanatoriums are waiting."

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I will only pass a few remarks in support of this recommendation. In addition to the reasons outlined in the exhibit filed I will enumerate many additional ones, having special application to ex-service men. Many men obviously were in a debilitated condition prior to discharge and the earlier signs considerably modified by lengthy periods in England prior to their return to Canada for demobilization. Once in Canada the men, above all things, desired to return to their families, feeling that after a period of rest in good surroundings they would return to good health. They made no complaint to the S.C.R. as to the nature of their malady. There was a large number of these men. There were many cases. They were not pension hunters. They were not looking for something. These men went out and tried manfully to fill their places in the social life of their country. Many of these men came up 13 months, 14 months, even two years before a definite diagnosis of tuberculosis was made. At that time it may be felt the evidence of that disease is advanced. Opinions may be advanced by specialists that from an examination and observation of the patient they are of the opinion that the disease is one of long standing. The Pension Board will not say that. I say at any rate they do not give it the consideration that they should.

By Mr. Arthurs:

Q. Is it not a fact that in all those cases where continuity can be established, the Board is ready to take them on? A. My remarks on that apply to men who were discharged without disability or a disability that was shown to have definite relation with tuberculosis.

Q. The evidence before this Committee given by one of the witnesses at a previous hearing of the Committee, was to the effect that where continuity could be established, although the disease might not develop itself until some years later the man would be put on the strength of the S.C.R. for pension.—A. Where continuity could be established. You see there that the onus of proving continuity is on the man.

Q. It is in any case?—A. Yes, it is in any case. We say that that period in which the disease is laid down to make its appearance, as defined by the Pension authorities, is unreasonable. We say that the period should be longer. In view of several conditions that apply to the men on discharge, through faulty documentation and for many reasons that have been dealt with by many witnesses, we feel the one year period is unreasonable, and we are supported by medical opinion in that statement. One year is not sufficient. Before the Ralston Commission, when the inquiry was in Montreal, I wrote to the United States Veterans Bureau and I asked them to send me a copy of their regulations and laws, governing their treatment of tuberculosis, and they sent in return the laws as they existed in January, 1923—the hearing of the Commission was only a month later than that, so they were just quite fresh, and the United States had put into effect a practice that I will attempt to outline: once a man was diagnosed by approved methods as having tuberculosis, they granted him a pension, and the way it was done was this: They divided them into three classes. They took the incipient cases and they allowed for incipency a period of, if my memory serves me right, 30 months. That is to say, if a man was diagnosed 30 months subsequent to his discharge and being in an incipient condition, suffering from tuberculosis in the incipient stage, he was regarded as having had 10 per cent disability at the time of his discharge, or if it was arbitrary he was regarded as having a 10 per cent disability at the time of his discharge, and he was therefore pensionable. With moderately advanced cases they allowed a period of 33 months, and with the advanced cases, 36 months; so you see there was a much more liberal regulation than exists in this country. In most of our

[Mr. E. S. B. Hind.]

cases I am afraid we will not have a large number of cases that will present themselves now, although there are some in sanatoria to-day who have had their claims refused. If the attributability regulations were modified and the period in which the disease could make its appearance extended, say along the lines of the American practice, at the time I mention, I think it would take a great deal of labour off of our shoulders and it would be of material assistance to the doctors. You present a very very difficult problem to the doctor to-day. You ask the doctor to say largely, as a matter of fact, that the disease was one of three or four years standing. After an examination of the patient he offers an opinion on it. That opinion is not accepted. He may offer an opinion, and very frequently does offer an opinion that the disease would appear to be one of three or four years standing. He has methods for determining that opinion, which he probably gives, and we feel that if less stringent regulations had been in effect that pension would never have been denied to a very large number of deserving cases. The man who was inclined to exaggerate his ailments and his disabilities had a defined advantage over a man who tried to carry on. I know of one case which I have in mind, of a civil engineer, and his history is enough to make one weep. That man's struggle to re-establish himself, and it was only with the greatest of difficulty that we could induce the Pension Board to accept that case. Finally we did so, but the general practice is to hold to the one year clause. They may depart, in a few cases, from the one year clause, but there is nothing obliging the Pension Board to do so, and we think there should be. There are many reasons. There is the faulty documentation that has already been dealt with, and as I said, there were many men who were not diagnosed at the proper time.

By Mr. Scammell:

Q. Thirty-nine per cent of the admissions last year were primary admissions?—A. Yes, Mr. Scammell. In what category were they placed at the time of admission? Have you that information?

Q. No, except they had never been under treatment by the Department at all?—A. But those were tubercular cases taken in last year.

Q. First time admission, 39 per cent?—A. This number is perhaps larger than I had reason to suppose. I know we had a large number who have been denied pension under treatment, but I am not in position to estimate the number of applications. The Department is probably in better position than I am to give claims from men coming in who have not had any treatment whatsoever, but we feel if it was allowed, if it was made mandatory, that the Board should accept responsibility for a longer period than one year, the difficulty would be largely done away with. We would have less difficulty.

Q. This 39 per cent was, of course, five years after?—A. Let us suppose that is not done, what is likely to be the result. A large number of men will suffer from tuberculosis ten or fifteen years from now. They are men who, at one time or another, served in the army. They are refused reasonable attributability treatment—and that has been done, I contend, up to the present time. What is going to happen? The municipal authorities are going to have to deal with these tuberculous cases of ex-service men, whose disease appears at a very late period. Immediately a clamour is going to be set up all over the country unless the Federal Government takes responsibility for these ex-service men, whose disease occurred at such a time that it was unlikely service conditions brought it about. It may be possible that tuberculosis occurring ten years after discharge could be connected with service, but generally speaking where incipient cases develop in a man ten years after his discharge. It would be reasonable to say it was not connected with service, but if the present regulations are not carried into effect, you are going to have a call upon the Federal Government

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to take care of those ex-service men. Perhaps politics will enter into the situation and you create sympathy. Local sympathy is aroused, and you are familiar with the consequences of that sort of thing. Representations are brought to bear on the legislatures, and I do not think they would have any difficulty in showing that their present re-establishment regulations are not fair. That is my opinion. I am supported in that by medical opinion. The suggestion has been made by the Department's own officers that the present attributability regulations are too rigid.

By Mr. Robinson:

Q. What time limit would you suggest yourself? Any limit at all?—A. I would be inclined to leave that to the Committee.

By Mr. Black (Yukon):

Q. The Committee wants advice from you, you are a specialist. I would say I would not like to commit myself to state that in all cases you should lay down a definite period. There may be a definite case that should be recognized, for practically any period, but I think, for general purposes, the one year clause should be abandoned and that any reasonable time should be inserted.

By Mr. Robinson:

Q. The one year clause is there now?—A. The one year clause is there now.

Q. I understand from what Mr. Scammell said that the Board use discretionary power, do they not?—A. Yes, they use discretionary power. The S.C.R. has to deal with the men in the first instance.

Q. Why should there not be a discretionary clause or something of that kind?—A. They are exercising discretion now and it is in the exercise of their discretion that they have fixed upon the period of one year, which we contend is unreasonable.

Q. He says that 39 per cent of those who came in last year were in for the first time?—A. Yes, but Mr. Scammell does not state in what condition they were.

Q. As I understand him, that was the first intimation they had of it?—A. Yes, but will Mr. Scammell say whether these cases which were taken on last year were regarded as pensionable, or were they taken on under that clause that deals with treatment only.

Mr. SCAMMELL: No, they were taken on for treatment with pay and allowances in the opinion of the medical officers of the department, the disability being attributable to service.

The CHAIRMAN: I would like to ask a question of Mr. Scammell. I want to know if you are proceeding on this line at the present time; first, within the one-year period, attributability is recognized in all cases; secondly, outside of the one-year period, attributability is recognized if it can be demonstrated?

Mr. SCAMMELL: That is the case.

The CHAIRMAN: Do you understand me exactly?

Mr. SCAMMELL: I understand. Within the one-year period, unless it can be definitely shown by the department that the disability had arisen from other than service conditions, the man is accepted. After the one-year period, if evidence can be produced showing that there is probability that it is due to his service, even after five or six years, men are taken on. That has been our experience. I may say, for your information, sir, that the eligibility for treatment regulations were drawn by the tuberculosis specialists of Canada, in conference. The department put the matter up to this committee and asked for recommendations, and if I may be permitted to do so I should like to put in as evidence the exact wording of the regulations regarding attributability.

The CHAIRMAN: Very well.

Mr. SCAMMELL: As compiled by the committee of specialists.

The CHAIRMAN: Yes, that will be put in the evidence as an appendix. You have those regulations at your office?

Mr. SCAMMELL: They were distinct regulations, drawn up for the guidance of the department, by these tuberculosis specialists.

The WITNESS: I could produce a very large number of cases which I think would contradict any liberal interpretation of attributability regulations. We have case after case where men have offered very strong evidence, both medical and lay, that their disease was one of long standing; that is to say, they show continuity. We have letters coming from the Board—this applies particularly to the Pension Board,—that there is nothing to show that the disease originated on service, in spite of the fact that a great deal of evidence has been submitted. Men are sent curt letters to that effect, that there is no evidence, in spite of the fact that a large amount of evidence has been put on file. In spite of that they say there is no evidence to show that the disease is in any way connected with service.

Mr. PATON: May I ask Mr. Hind to mention specific cases?

The WITNESS: Yes, if it is the wish of the Committee I will produce a large number of specific cases, although I am not prepared to do so offhand. I came before this Committee realizing that you were anxious to get things cleared up, and supposing that you did not desire to take up individual cases.

The CHAIRMAN: Have you no names? If you have, just mention them, without giving the details.

The WITNESS: I could take one or two cases that have been settled, where originally they were refused pension, in spite of a lot of evidence which was introduced.

By the Chairman:

Q. Can you mention the names now?—A. No, I am not prepared at the present time to mention a specific case.

By Mr. Arthurs:

Q. The witness might put them in later.—A. Yes, I will do that.

The CHAIRMAN: Yes, you might send just the names of the cases, without any argument about them; just "John Smith" and "William Brown," and so on.

The WITNESS: I want to say that a lot of these cases which were refused in the manner I have indicated have subsequently been granted pension, through the efforts of ex-service men's organizations, but we have no means of ascertaining how many men throughout the country have been refused pension with just such a notification.

Mr. PATON: Mr. Hind is making a serious charge; that is, that the Board of Pension Commissioners refused medical evidence presented by these men, refused to consider the evidence they brought forward.

The WITNESS: They probably considered it, but they did not act on it.

By Mr. Black:

Q. Your complaint is not so much with the regulations, because the administration of the regulations seems to be broad enough, but rather that the Pension Commissioners do not give the cases proper consideration?—A. Yes; I contend that they do not.

Q. And that they do not give just judgments; that is your contention?—A. Yes, sir.

[Mr. E. S. B. Hind.]

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The CHAIRMAN: I do not think Mr. Hind is making any such charge as you have mentioned, Mr. Paton. To make the matter clear, I will ask him a few questions.

By the Chairman:

Q. I suppose you realize, Mr. Hind, that in these tuberculous cases, like any other cases, the question of attributability is a very difficult one to settle?—A. Yes, and that is the reason for my recommendation.

Q. You agree that the question of attributability not only in tuberculous cases, but in many other cases as well, is a difficult one to settle?—A. Very.

Q. And in your opinion cases have been submitted where attributability existed; in other words, where the disease, tuberculosis, was attributable to service, and in those cases where you thought it was attributable to service, the Board of Pension Commissioners has given a different decision, has expressed a different opinion from your own, and has decided that it was not attributable to service?—A. Yes, Mr. Chairman. It is not a question of whether they differed from our opinion on the question; we might be regarded as being prejudiced. They have refused pension, in spite of the opinion of specialists, and in spite of lay opinion of repute.

Q. Do you say they have refused to receive the evidence?—A. I do not say they refused to receive it. They have received the evidence, but have refused to act upon it.

Q. What proof have you to demonstrate that they refused to act upon the evidence that was submitted to them, which means that they did not consider the evidence that was submitted to them?—A. No; as I stated previously, they may have considered the evidence, but they write to the man and say something that is not in accordance with the facts; they say there is no evidence to show that this disease was attributable to service. That may be their opinion, but it is not evidence of fact. They do not say, "In our opinion"; they say, "There is not".

Q. In legal terms, you might express it in this way; you are stating now that they have decided contrary to the evidence?—A. Yes, contrary to the weight of evidence.

Q. In your opinion?—A. Yes, sir, and they do not make it clear that this merely represents their opinion; they simply say it is not so. In their letters they say "There is no evidence to show that this disease is attributable to service".

By Mr. Robinson:

Q. Do you say they have reversed their decisions in some cases?—A. Yes, they have done so through representations we have made.

Q. Owing to the production of further evidence?—A. Sometimes, but generally speaking through the persistent advocacy of the man's case by some organization.

Q. Without the production of further evidence?—A. Yes; in some cases they have done so.

By the Chairman:

Q. I suppose you are aware that there is the right of appeal to the Federal Appeal Board on the question of attributability?—A. Yes, I am aware that that is the case.

Q. Then in all these cases where, upon the evidence submitted to them, the Board of Pension Commissioners have decided that there is no attributability you might take these cases in appeal before the Federal Appeal Board?—A. Yes, we might do so.

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Q. Have you been doing that?—A. We have appealed very few cases. I am not in a position to say what number of tuberculous cases have been before the Appeal Board, but the subject is such that most of our members prefer to have that dealt with through our association.

Q. Under present conditions, it would appear to me that your recourse would be an appeal before the Federal Appeal Board. When upon the evidence submitted the Board of Pension Commissioners decide that there is no attributability, and you in your opinion think there is attributability, it is a clear case for appeal?—A. Yes. You understand, Mr. Chairman, that under the strict regulations in force it often takes a year or eighteen months before a case is in a condition for presentation.

Q. That is another proposition?—A. We have had to write all over the world for evidence. Now, if a man has been denied pension for two or three years, and we have to set about building this man's case up and collecting the necessary evidence all over the world, the man will probably be dead before his case comes before the Appeal Board. I agree that the Appeal Board is a channel of which we are glad to avail ourselves. We ask that the scope of the Appeal Board be widened to deal with assessment cases, because we have a large number of cases of that kind. We desire that the Appeal Board should be able to hear those cases of assessment. But I am afraid that before the Appeal Board can function to a satisfactory degree, a lot of our men will be dead; certainly a large percentage will be. I cannot tell what will happen after the recommendations made in connection with the Appeal Board. I would like to see the discretionary powers of the Board of Pension Commissioners curtailed. In my opinion, there has been sufficient evidence to show that they do not exercise that discretion wisely. A further argument is that you are dealing with the tuberculous at the present time, moderately advanced, and advanced cases. It is not a question of diagnosis. These men are already diagnosed. I do not ignore the possibility of mistaken diagnosis made by a general practitioner in error, but not in those cases that have been diagnosed by specialists. It is now some considerable time since they were diagnosed, and I do not think there are very many wrong diagnoses at this date. They are men who have been pronounced, perhaps after two or three periods of hospitalization, definitely tuberculous in a moderately advanced state. I think the need is definitely established.

Q. I want to make it clear that my questions are not put with any intention of blocking you. We are here seeking to find out a practical remedy. You say, "A man comes to us, a tubercular case, and it might take us one year to prepare his case. Then his case will be submitted to the Board of Pension Commissioners, and if the Board of Pension Commissioners rejects the pension on the ground of non-attributability, we cannot go to the Federal Appeal Board. That entails delays, and while those delays take place, the man will die." I can very well understand your argument and we will take it into consideration and see what can be done in order that immediate relief may be given to the man. If there were cases where there was not urgency, the machinery as it now exists would seem to be sufficient, because you have the Federal Appeal Board to protect you. But where the cases are urgent, it may not be practicable. I understand that.—A. Yes, that is why I am asking for a minimum pension. If the present regulations are carried out, if the recommendations of the Ralston Commission are given effect to, and the regulations based thereon are carried out and a minimum established there would be greater opportunity to have more justice pending the functioning of the Appeal Board.

Q. I understood you to say at the outset that neither you nor the other officials of your association were receiving salary?—A. That is in accordance with the facts.

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Q. I knew it, but I wanted it placed on record.—A. There is no remuneration.

Q. Have you anything more to say?—A. No, sir; I could only cover ground already covered by previous witnesses.

The CHAIRMAN: I wish in the name of the Committee to offer thanks to Mr. Hind. I purposely asked him the question as to whether or not he was receiving a salary or whether the other officials of the association were receiving a salary, and he has told you that they receive no salary. Therefore, we must give a very great deal of consideration to men who come here before us purely with a humanitarian and philanthropic purpose. For that reason I thank Mr. Hind for the very good address he has given us. We all know that the tubercular cases are deserving of very great consideration indeed. They are sad cases, they are cases of men suffering from a lingering illness, and but a small percentage have a chance to recover. Certainly every precaution should be taken to see to it that any man who suffers from that disease, as a consequence of his service, is protected to the very fullest extent. I can assure you, Mr. Hind, that we will give your suggestions very careful attention.

By Mr. Humphrey:

Q. Can you give the Committee any information as to the expense the returned men are put to in bringing their cases before the Board of Pension Commissioners, or the Department of Civil Re-establishment?—A. Yes.

Q. Are they put to any expense?—A. I should say that the average cost is approximately \$4. I will not say that they all cost that; there are some cases that probably involve an expenditure of \$50.

Q. Especially where a decision has been rendered adverse to the applicant?—A. Yes, sir.

Q. So I would take it that the expense of the average case is distributed through the whole of Canada, and applies practically to every case that has to be fought?—A. We do not keep any record of the cost for each individual case. We are able to determine—we have a cost basis on which we work, and we compute that the average case taking them in the aggregate costs about \$4.

Q. That has to be paid by the returned men?—A. We have to raise this money ourselves. We go out and get a fund from charitably disposed people, from wherever we can. I want to pay a tribute to the G.W.V.A. The Great War Veterans' Association paid our secretary here for four years—I am not quite certain of the period—and at the present time we have an arrangement with them for the use of their stenographic service, and we get it at a great deal less than the actual cost. Their funds, of course, are like our own; they are drawn from among their own members.

Mr. MACNEIL: May I offer a corroborative statement on an important point of the evidence touched by the witness?

The CHAIRMAN: Yes, but you must understand we must curtail evidence at this juncture if we are going to bring in a report. If we bring in no report, there will be no—

Mr. CALDWELL: I imagine Mr. MacNeil will be very brief.

Mr. MACNEIL: I have examined many files in the Department of Soldiers' Civil Re-establishment during the inquiry of the Ralston Commission. To my personal knowledge I know of a number of cases with respect to claims for pensions for tubercular men, where fresh and material evidence was not considered by the Board, where it was clearly proven that such evidence existed. The Ralston Commission upheld our contention on this point and said that by this action not only was a man denied the benefit of a reasonable doubt, but he was denied the benefit of the definite preponderance of evidence. I refer to the

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McWha case, of New Brunswick, the Montgomery case of Toronto, the Chevier case of Prince Edward Island, the Smith case, and the Lonergan case of London, Ontario. These were all tubercular cases. In many cases death occurred, as we believe, because the case was not dealt with promptly, and the men did not receive the consideration which they should have received.

In a recent case a man named McDonald came to Ottawa, and after considerable discussion received an adjustment of approximately \$6,000. We were very glad he could obtain that, but it represented the deprivation of several years, which has reduced his expectation of life very greatly indeed. This was the case with most of the T.B. men, and I wished to bring these before the Committee in corroboration of the evidence this morning.

The CHAIRMAN: These cases were quoted before the Ralston Commission?

Mr. MACNEIL: Yes, sir.

The CHAIRMAN: They are to be found there, and the opinion of the Commission will be there too?

Mr. MACNEIL: Yes.

Mr. HIND: It is difficult, when we establish a claim, to have any considerable amount acted upon, although we produce strong evidence to show that the man has been disabled for a great length of time. I will cite in support of that the case of ex-Lieut. R. Callum, where they admitted attributability, but they wanted to pension the man for a very small amount. This was prior to his death. This man died in sanatorium, and was undoubtedly a 100 per cent case, and we have it that for six months prior to his death he was a 100 per cent case, not only in the opinion of the specialists but would be so regarded by laymen, because he was in bed for six months prior to his death. You would think that once the Board admitted attributability they would have given him 100 per cent pension for the six months he was a bed-ridden case. I offer that case in support of the difficulty in gaining retroactive payments.

Mr. PATON: May I read a section of the Pension Act in that connection?

The CHAIRMAN: Yes, sir.

Mr. PATON: (Reading):

"Section 28. Pensions awarded for disability shall be paid from the day following that upon which the applicant was retired or discharged from the Forces, except,—"

and here is one of the excerpts—

"(b) in the case in which a pension is awarded to an applicant the appearance of whose disability was subsequent to his retirement or discharge from the Forces, in which case the pension shall be paid from the day upon which the application for pension has been received."

Mr. ARTHUR: Before we adjourn I would like to move the following motion in order that this may be taken up regularly by the Committee at a later date—

The CHAIRMAN: It is a notice of motion?

Mr. ARTHUR: Yes. I move, seconded by Mr. Caldwell, that Section 11 of Chapter 62, Statutes of Canada, be revised by striking out Clause 1 thereof and substituting therefor the following:

"Any member of the Forces or dependent or prospective dependent shall have the right to appeal from any decision of the Board of Pension Commissioners provided that (1) he shall file with the Board a statement showing what decision he desires to appeal from and giving reasons, and (2) that the Board find the above reason sufficient to warrant such an appeal."

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I might point out this is along the general trend of the evidence before us now. It will remove the restriction in regard to the present Act, and allow an appeal of any nature before the Appeal Board provided they say that the reasons therefor are sufficient in their opinion.

The CHAIRMAN: In your opinion, would this cover an appeal on assessment?

Mr. ARTHURS: On all grounds. We all know the clause; it refers only to appeal on attributability. The clause as suggested to me gives the Board the power to hear any appeal from the decision of the Board of Pension Commissioners provided the man furnishes reasonable grounds therefor. I might point out that latter clause is simply to cut out frivolous appeals.

The CHAIRMAN: Is it the pleasure of the Committee we adjourn.

Mr. ROSS: Mr. Chairman, before we adjourn, I would like to ask the Secretary of the Pension Board if he thinks the clause he has just read has caused any suffering to any ex-service man in the past, and, secondly, if he thinks it is a fair clause.

The CHAIRMAN: Which clause do you refer to?

Mr. ROSS: The one he just read.

Mr. PATON: I cannot say offhand. I know of no case where hardship has been caused. As to whether it is fair or not I would rather not express an opinion.

Mr. HIND: Mr. Chairman, if I am in order, I would like to say that clause is in recognition of the fact that you have a right to deny a payment that should have been made. When you admit attributability you admit connection with service, and the man is pensionable. Why deny him something he should have received?

Mr. PATON: That is not the Board's interpretation—

The CHAIRMAN: That is for the Committee to decide. It is a question of legislation. Mr. Paton is not competent to express an opinion on that.

Mr. ROSS: I think in all fairness he could give us the benefit of his opinion. Has he found from his observations whether that clause has caused a hardship? I think in my experience in one or two cases it would have caused a great hardship, if it had not been for the trouble in pushing the cases.

The CHAIRMAN: It might be asked what has been the effect of that clause, and, if you want to go farther, did it ever happen that under that clause a man who otherwise would have been entitled to a pension, or to retroactive pay, did not receive it?

Mr. ROSS: He was denied it.

The CHAIRMAN: Yes, that question can be asked.

Mr. RAYMOND: Would it not be well for General Ross to ask the question?

The CHAIRMAN: I will ask the question. Mr. Paton, are you aware that under that clause a man who otherwise would have been entitled to back-pension, was refused the same? In other words, men who evidently were entitled to pension, and had been for a few months previously, were not given that pension—were deprived of it.

Mr. PATON: I don't think so, sir. It is very hard to answer that question definitely. I do not think there are any cases of that nature. If a man comes before the Board and shows he is entitled to a pension, and was entitled to it, I think it would be granted. The Act is definitely clear, and we have to follow what is laid down; we have no discretion in the matter.

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Mr. ROSS: That is the point. He has no discretion, and he must refuse. I imagine that is why he read that clause, to show that retroactive payments cannot be made, and that they were acting under this clause.

Mr. CALDWELL: Can you cite a case, General Ross, because I know you are in touch with these things.

Mr. ROSS: I have had more than one. I have in mind a man up in Thorold. I got him \$1,200, and the thing was fought because the application was made, and it was simply by fighting to get over a little technicality showing that some correspondence had actually occurred. If I had my files here, I could give you more than one. The Secretary evidently read that to show they were blocked. There was no other purpose in reading it.

Mr. PATON: My purpose in reading that was to give the Committee what is actually on the Statute. I want to point out also that there is a question of the medical appearance of disability. Cases have come up where mistakes have been made, where a man has been discharged without any mention of disability on his medical documents; the Medical Board showed no disability. He claimed, at a later date, that he was disabled, and gave us evidence of the continuity from discharge, and his pension has then been paid from the date of discharge.

The CHAIRMAN: I think the clause, whether good or bad, is clear enough.

Mr. ROSS: There might be an application which is unfair.

The CHAIRMAN: We can examine that in sub-committee and if the clause is not equitable, we can recommend to have it changed.

Discussion followed.

The witness discharged.

The Committee adjourned.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 436,

TUESDAY, July 8, 1924.

The Special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers, met at 11.00 o'clock a.m., the Chairman, Mr. Jean J. Denis, presiding.

The CHAIRMAN: Gentlemen, we will come to order. The notice which has been sent members of the committee reads as follows, for Tuesday, July 8th, 1924, at 11 o'clock. "Consideration of Mr. Humphrey's resolution that the committee recommend that the Board of Pension Commissioners of Canada be removed from office." This is in conformity with the notice of motion that was given a few days ago by Mr. Humphrey, and which was presented before this committee in writing yesterday. It reads as follows:

"Moved by Mr. Humphrey, seconded by Mr. Shaw,

That in view of the representations and information presented to this committee, this committee recommend to the Governor in Council that the commissioners constituting the Board of Pension Commissioners for Canada be removed from office."

I might add that Mr. Shaw, in seconding this resolution, said his mind was open on the subject, and he put in the proceedings a declaration in writing which speaks for itself, and which I need not interpret to the Committee. The first thing is for the Chair to consider—

Mr. ARTHURS: Have you Mr. Shaw's declaration? Some of us were not here yesterday.

The CHAIRMAN: Yes, I will read what Mr. Shaw said. In seconding this resolution, Mr. Shaw made the following statement, which he wrote himself: "Mr. Chairman, I think the matter embodied in the resolution should be considered by this Committee. This is more important in view of the representations made by the soldier representatives before the Committee. While I have an open mind on the subject, I do not think the discussion should fail for want of a seconder to Mr. Humphrey's resolution."

Mr. HUMPHREY: May I interrupt? Would it not be possible, perhaps, in the best interests of all concerned, to have this motion stand over until a future meeting, on account of the numerous committees meeting to-day, and especially on account of the meeting of the Banking and Commerce Committee?

The CHAIRMAN: This resolution will not be considered on the merits now, but there is another phase of it which must be examined at once. The first point to be decided by the Chair and the Committee is whether or not this motion is in order. If the motion is in order then it can be proceeded with, and upon the request of Mr. Humphrey it will not be taken up to-day but at a later date, whenever he is ready to proceed with it. But, in the interests of all parties concerned, I think we must decide now as to whether or not the motion is in order, because if the motion is not in order it would perhaps enable the mover to place before the Chair another motion which would then be in order. Therefore the first point that is submitted is the point of order, and if any member of the Committee wishes to speak on that point he will be welcome to do so now. Otherwise I shall give my ruling now.

Mr. RAYMOND: Has any one questioned that it is not in order?

The CHAIRMAN: It is irrelevant whether any one questions if the motion is in order or not. It is the duty of the Chair to see to it and examine in the first instance whether or not a motion is in order, because a Chairman would not be justified in letting any motion pass which, in the opinion of the Chair, would not be in order.

Mr. CALDWELL: Mr. Chairman, I presume your point will be that the order of reference to the Committee does not entitle a motion such as this to be considered?

The CHAIRMAN: That and something else.

Mr. CALDWELL: I would submit for your consideration, and for the consideration of the Committee, this point:

While it may be strictly true that the Order of Reference to the Committee is not wide enough to entertain a resolution of this kind, I think if it is not, we should ask the House to widen the Order of Reference to enable us to consider this phase of the question. I do not think that this can be ignored, owing to the present situation, and the feeling between the returned men and the Pension Board. To my mind, it has developed into a rather acute stage, and if your ruling is that the Order of Reference to this Committee is not wide enough to allow us to consider this motion, I think that we as a Committee should ask the House to widen the Order of Reference to include this; and if necessary, I will make a motion to this effect after you have given your ruling.

Mr. HUMPHREY: I think perhaps that it is only fitting that I should give a word of explanation on this point particularly that the Chairman has brought up as to whether this motion should be entertained by himself on behalf of this Committee. I have given that question some little thought, and I carefully looked through the Order of Reference to this Committee. As the Order stands, it is to this effect:

“Resolved, That a Special Committee be appointed to consider questions relating to Pensions, Insurance and Re-establishment of returned soldiers, and any amendments to the existing laws in relation thereto which may be proposed or considered necessary by the Committee.”

I realized that that point would come up in connection with such a motion, and in my opinion, which I must confess is not a legal opinion in any way, I take it that this Order of Reference does cover such a motion and, going a step further, that this Committee did consider and entertain very exhaustive evidence on this question. We were asked to consider a report submitted by the Ralston Commission. This Committee also entertained evidence given on behalf of returned soldiers' organizations by their qualified representatives bringing to the attention of this Committee certain resolutions substantiated by certain evidence bearing on the point contained in this motion which I have brought before this Committee. That evidence was entertained and accepted all the way through the sittings of this Committee; evidence given by returned men's representatives, without any question of order being raised by the Chairman or by any individual member of the Committee. On the strength of receiving that evidence, backed up and substantiated by individual type cases, I considered that it was only my duty as an individual member of this Committee, considering that this evidence had been accepted and considered, to go a step further and at least put this question in such a form that it could be considered before this Committee. These were practically the only objects of my motion. If the question had arisen at the time that that evidence was submitted, I would have had another thought; but having allowed those representatives to cover this important point very thoroughly, and led them to believe that this evidence could be submitted before this Committee, and then for this Committee not to

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be able to consider it—I believe we would not be fulfilling our duty to this Committee or to Parliament. It would not seem to me fair that after we have entertained all that evidence and we come to our deliberations we should merely lay it aside on the ground that it was not within the scope of the Reference to bringing in a formal notice of motion giving sufficient time for it to be brought to the attention of all those interested, handling it as far as it is possible to handle this question. I consider that as the Order of Reference has been drawn and taking into consideration the circumstances as they are to-day and as they exist throughout the country, taking into consideration the fact that we accepted all that evidence on this important question, I submit that I was within bounds and within the Order of Reference in submitting this motion.

Mr. ARTHURS: Mr. Chairman, I desire to support what I suppose will be the position taken by the chairman. I cannot see that anything would be gained by this Committee deciding, or attempting to decide or even making a recommendation regarding the dismissal of any official at present employed by any department. If we do that, we are opening a very dangerous road in view of the fact that a few years ago we placed in command of the situation the Civil Service Commission. You are leaving it in the power of this Government or any succeeding Government to appoint a Committee formed of certain members who are their adherents, and whose report will practically dismiss officials in any department regardless of circumstances.

Mr. HUMPHREY: I am sorry to interrupt my hon. friend, but I thought we were discussing the point of order.

Mr. ARTHURS: I am speaking to the point of order; I am not varying from the point of order. I am showing that the point of order upon which I suppose the Chairman will rule should be upheld. The fact that we have had certain evidence before this Committee as to the conduct of any member of the Board of Pension Commissioners or anybody else, does not matter for a moment. In every previous Committee we have had evidence brought up of a very drastic character demanding drastic action on the part of witnesses, and in many cases we have decided that no action was necessary. If you go through the Ralston Commission report you will see that they heard evidence on certain matters and their decision on these matters is the one word "none." I think, gentlemen of the Committee, we would be very unwise to take any proceedings of this kind, taking up a matter which is practically in the hands of the Government themselves and in the hands of the Civil Service Commission. I may also point out that the evidence given here will be taken into account both by the Minister and the Government. They have access to all the files of this Committee, and the purpose of the witnesses will be fully accomplished in that way.

Mr. BLACK: I would like to call attention to the fact that the Board of Pension Commissioners was appointed by Act of Parliament, Chapter 43, 1919. Section 3 is in these words:

"Each Commissioner shall hold office during good behaviour for a period of ten years from the date of his appointment, but shall be removed at any time for cause by the Governor-in-Council."

I do not know that we have any evidence that any commissioners has not been on his good behaviour during a period of ten years, and until we have some tangible reason for removal placed before the Committee, I do not know that we are in any position to act in the matter. At any rate, it seems to be beyond the power of this Committee to make any such recommendation. There have been cases to my certain knowledge where the Board of Pension Commissioners in dealing with these cases have been absolutely wrong, and have not been sustained by the Appeal Board. But that occurs in the best regulated

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courts of law. I think myself that the Board of Pension Commissioners has in some cases interpreted the Act a little too strictly, but at that, we must always remember there is room for difference of opinion. As Col. Arthurs has said, the evidence given before this Committee is all available for the information and use of the Government. After all, it is a matter in which action should be taken by the Government, and not by Parliament or by any Committee of Parliament. I should suppose that the Government would be alive to the importance of the evidence given and take any action thereon that may seem best to them. I do not think that it is a matter for the Committee to consider.

Mr. HUMPHREY: I appreciate the remarks that have been made, but I have endeavoured to confine myself to the point of whether this motion was within the Order of Reference, or whether it goes beyond the scope of the Order of Reference. I must admit that the statements made by Col. Arthurs and Captain Black are along the line of the principle involved and the evidence in regard to this point. If the Chairman rules that the motion can be entertained by this Committee that is another question. I would think that the practical question now under discussion is whether this motion is in order. It is immaterial to me which way it goes; I took it for granted that the discussion was on the question whether this motion could be properly entertained by this Committee, not on the principle involved or on the question of whether it was in the best interests of the country or of this Committee or of the returned men or of anyone who might be interested.

The CHAIRMAN: In my opinion, what Col. Arthurs and Mr. Black have said is relevant to the point of order.

Mr. SPEAKMAN: I agree very largely with what Mr. Black has said, or with the conclusion I draw from his remarks. I agree that the question is, has the Board been guilty of any misbehaviour? That, as I understand it, is the subject matter; these are the causes given for which they may be dismissed. I do not think that the question of the Civil Service Commission enters into this matter at all.

Mr. ARTHURS: It will in other cases if we take action.

Mr. SPEAKMAN: I am simply stating my own opinion, and in my opinion it does not, because the Board of Pension Commissioners is not appointed by the Civil Service Commission. It is appointed directly by the Governor in Council and is responsible to Parliament. It is a parliamentary appointment, a statutory appointment, rather than an appointment by the Civil Service Commission. The argument advanced is that it has not been proved in any way that cause has been given by the Board of Pension Commissioners for such action. That is a point which I think should be considered by the Committee. That would not, in my opinion make the reference itself irrelevant. Following that argument, I think it would be admitted by Mr. Black that if sufficient cause were shown, if misbehaviour were proven, then the Government should take action.

Mr. BLACK: But I do not think the Committee should take action.

Mr. SPEAKMAN: I believe in interpreting the Order of Reference broadly. It deals with all matters affecting the welfare of returned men, not only matters of legislation but such legislation as we may recommend. I consider that the Order of Reference is sufficiently wide to enable us to at least discuss the matter and consider the evidence placed before us and to at least arrive at some conclusion in the matter. I believe that the Order of Reference is sufficiently wide that in discussing that evidence and in coming to some conclusion as to whether the evidence was acceptable or whether the reasons advanced

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by the returned soldiers' organizations were well founded, it would be within our scope to suggest any amendments or resolution in that regard and to make mention in our report for the guidance of Parliament and the Government. I am not offering any opinion as to whether the charges are well founded or not, but I do think that the matter is of sufficient importance—it is a matter of administration, but I think it is of sufficient importance particularly when we have entertained evidence upon it—I think it is within our scope at least to consider it and to make some mention of it in our report as to whether the charges are well founded or not. It is a matter of fairness to the returned men, of fairness to the Board of Pension Commissioners. Evidence has been received, and if we ignore it, what is our position? What is the position of the returned men's organizations? What is the position of the Board of Pension Commissioners when charges have been made we do not consider them at all and give no opinion upon them? In my opinion the matter is of sufficient importance and can be brought sufficiently within the Order of Reference that we can discuss the matter and come to some conclusion upon it.

Mr. HUMPHREY: I had the thought that this motion should not be brought to the attention of the Committee until the evidence had been thoroughly gone through, analysed and discussed. My opinion was that that was only legitimate and proper, that the notice of motion should be brought forward after the evidence submitted was available to the Committee and had been thoroughly analysed. Having entertained that thought, I was somewhat surprised at the Chairman bringing it on before the evidence had in any way been analysed or looked into. I had thought it was simply a notice of motion to conform with the evidence that had been accepted and which would afterwards bring the question to a concrete point and plan of action before this Committee. Of course, I bow to the ruling of the Chairman. I respect his opinions in every way, and must respect them in preference to my own in the majority of cases having a legal aspect. But I did believe that it was correct for this motion to come on after the members of the Committee had thoroughly analysed the evidence, and had had a chance of discussing it.

The CHAIRMAN: The evidence has nothing to do whatever with the point of order. Further, if Mr. Humphrey is desirous of having this resolution proceeded with in some shape or other, surely I am helping him now in placing the point of order before the Committee, because if I had waited until a later date, as he has now suggested, until after the evidence had been read and so on, and it should then have been ruled that the resolution was out of order, it might have been too late to begin over again. By bringing this matter before the Committee immediately, it will leave the door open for Mr. Humphrey or any one else to act afterwards in whatever way they may choose. That is why I have brought this motion on the point of order before the Committee this morning. If I had waited until the end and then ruled that it was not in order, I might have closed the door, for this session at least. I want everyone to exercise their rights, and that is why I was anxious that this discussion should come on the point of order.

Further, I might say, that a motion should be examined on a point of order immediately after it is presented; there is no necessity why any time should be allotted for examining it. The moment a motion is given the Chairman it is time for him to submit it, and if the motion is found in order, then it may be discussed at a later date on the merits. Does anybody else wish to speak on the point of order?

Mr. RAYMOND: Let us have your ruling.

Mr. KNOX: Before you give your ruling, Mr. Chairman—I was not in when the point of order was raised, but I understand this resolution is not in order—

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The CHAIRMAN: No, that is not it. I told the Committee that the first question to decide was whether or not this resolution was in order, and that the Chair felt that a ruling should be given on that point, and then if any member of the Committee wished to address the Chair on that particular point of order, they were at liberty to do so.

Mr. KNOX: Supposing it is decided it is not in order. That would not prevent the Committee discussing this matter in drawing up their report, if they wished so to do.

The CHAIRMAN: It all depends on how the matter is brought to the attention of the Chair.

Mr. KNOX: I think that is something we should decide definitely.

The CHAIRMAN: You mean the Committee might, in their report—

Mr. ARTHURS: In answer to that observation, permit me to say that when the Committee makes its report to Parliament they have an ample opportunity, and the right to discuss all the evidence, in which this matter may be included, and while the motion of Mr. Humphrey might not be in order, there would be an opportunity of discussing that point with the evidence.

The CHAIRMAN: That will come up later on.

Mr. SPEAKMAN: That would not prevent us from expressing our opinions.

The CHAIRMAN: Does anybody else desire to speak on this point?

Gentlemen, I need not tell you that I have given this matter a very great deal of attention. When the motion was first introduced I had some doubts as to whether or not it was in order, but I would certainly not then express any opinion, any more than I would have expressed an opinion offhand as to whether or not the evidence was in order, when such evidence was given on this particular subject.

Now, I might point out immediately that it is a very different matter to permit evidence to be given, which might, after it has been considered, be found to be out of order, from afterwards permitting a motion based on that evidence to be considered by the Committee. It would be practically impossible for a Chairman or a member of a Committee to be sufficiently on the alert to prevent at all stages of the proceedings the admission of evidence which might not be in order. When a witness is called upon to give his evidence, we must give him full latitude; give him an open field, and if in the course of his evidence he should mention something which could not be considered by the Committee, and which is not strictly in order, this should be passed without notice either on the part of the Chair or members of the Committee. This should not be considered fair grounds for bringing a motion afterwards based on that particular evidence, if it is not in order.

Now, as has been rightly said by several members of the Committee, the first point to be considered is the Order of Reference. As Mr. Caldwell said, the scope of the Order of Reference does not present the greatest difficulty in this matter. If it was simply a question of the scope of the Order of Reference, it could be very easily remedied, because this Committee could have the scope of Reference enlarged. But there is a more serious difficulty in connection with this matter. I must at once consider whether this motion is within the scope of the Order of Reference, and from what has been said this morning, it would seem that several members of the Committee are dubious on that point. In my opinion, it is not within that scope, and I arrive at that conclusion by a careful reading of the Order of Reference which says:

“That a special committee be appointed to consider, first,—”

I am now dividing the Order of Reference—

“—first, questions relating to pensions; secondly, questions relating to insurance; thirdly, questions relating to re-establishment of returned

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soldiers, and, fourthly, any amendment to the existing laws in relation thereto which may be proposed or considered necessary by this Committee”.

Therefore, there are three distinct subjects submitted to this Committee, the fourth subject having reference to legislation which might be passed regarding these matters. I will read the first three again, first, “pensions,” secondly, “insurance,” and, thirdly, “re-establishment of returned soldiers.”

Now, in my opinion, the word “pensions” does not mean to include the Board of Pension Commissioners of Canada—

Mr. CALDWELL: It says “matters relating to pensions.”

The CHAIRMAN: “Questions relating to pensions,” but in my opinion it was not the intent to include in those words the Board of Pension Commissioners for Canada. I will refer to that again, later on. Therefore, I come to the conclusion that the Order of Reference is not wide enough to include the consideration of a motion such as this.

But, as I said a moment ago, this is not the most difficult point in this matter. We must examine the Status of the Board of Pension Commissioners for Canada, what their powers are, and their authority. Subsection 2 of Section 3 of Chapter 43 of the Statutes of 1919, which creates the Board of Pension Commissioners for Canada, declares that:—

“Each Commissioner shall hold office during good behaviour for a period of 10 years from the date of his appointment, but shall be removable at any time for cause by the Governor in Council.”

In order to determine whether or not it could be the intention that the Board of Pension Commissioners for Canada be made a part of the Reference, we have to examine carefully Subsection 2 of Section 3 of the Act. It will be seen at once, even by the laymen, that this is special phraseology; that this Board of Pension Commissioners is not a body which is acting under dependency, even of the Government. It will be noticed immediately that it is an independent body. I am of the opinion that it is just about as independent as are our judges. I will quote from the British North America Act, Section 99, which reads as follows:—

“The judges of the Superior Courts shall hold office during good behaviour—”

I have quoted the Act that concerns the Board of Pension Commissioners for Canada, and it will be noted that the expressions are exactly the same—“during good behaviour”—

Mr. HUMPHREY: Will you quote the authority for establishing the Commission on the same status as the Superior Court Judges?

The CHAIRMAN: I will try to cover that ground before I am through. I did not say they have the same status, I said it was comparable. According to this Act the judges of the Superior Court shall hold office during good behaviour. Both bodies are removable, but not in the same way. The judges of the Superior Courts shall be removed by the Governor General on address of the Senate and the House of Commons; the Board of Pension Commissioners shall be removed at any time, for cause, by the Governor in Council. I will refer to that again later on.

Now, we have another statute which is nearly in the same form. It is Chapter 12 of the Statutes of 1918, which has reference to the Civil Service Commission. Subsection 3 of that Act declares:—

“That the rank and standing of each Commissioner shall be that of a deputy head; the Chairman shall be paid a salary of \$6,000, and each of the other Commissioners \$5,000; such salaries shall be paid out of the Consolidated Revenue Fund of Canada.”

Now, each Commissioner shall hold office "during good behaviour"—the same expression again, "good behaviour"—and shall be removable by the Governor General on address of the Senate and the House of Commons. You will notice that each Act includes the words "during good behaviour," and in drafting the Act by which the Board of Pension Commissioners for Canada would hold office "during good behaviour" it was provided that instead of their liability to removal upon the address of both Houses, they shall be removable at any time, for cause, by the Governor in Council.

Now, what does this mean? What is the effect of those words "removed at any time, for cause, by the Governor in Council"? I tried to find authorities in the English Law, and I must admit I could not find any authority which satisfied me, because this expression is not commonly used in the English Law. It is, however, very commonly used in the American Law. On this subject I have found Dillon on Municipal Corporations, which seems to be very much to the point, although I will not contend that these authorities are absolute. They are from the United States, and while at first sight they appear to be absolutely to the point, I will not contend that they are absolute and should be the authority governing the matter, but I do think they may be used to enlighten one upon whom rests the duty of giving a ruling in a matter of this kind.

In Dillon on Municipal Corporations, 5th Ed. Vol. II, pp. 798, par. 477, it says:

"What is cause for removal."

—I will read the paragraph now because it is somewhat illuminating:

"When it is provided by statute that an officer can only be removed for cause without specifying the nature of the cause"—

which is the case here, where it says they can be removed for cause, but do not specify the nature of the cause—

"it is necessarily implied that the cause shall be some dereliction or general neglect of duty, or incapacity to perform the duties of, or some delinquency affecting his general character and his fitness for, the office, The cause must be personal to the office, and implying an unfitness for the place. It means some substantial shortcoming which renders continuance in office or employment in some way detrimental to the discipline and efficiency of the service, and something which the law and a sound public opinion will recognize as a good cause for his no longer occupying the place. The misconduct for which an officer may be removed must, in general, be found in his acts and conduct in the office from which his removal is sought. But to treat misconduct or incompetency in the performance of official duties as the only ground of removal is to give too rigid and narrow an application to the principles governing the subject. A cause for removal may exist for acts and conduct of a public officer, at a time when he is not acting in the performance of a public duty, if these acts and conduct are such as to fairly show that he is unfit for the place. It has also been held that misconduct justifying the removal of an officer cannot, as a general rule, be found in acts or conduct previous to his election or appointment. Any misconduct in office—a term which includes any wilful malfeasance, misfeasance, or non-feasance in office—is sufficient ground for removal; as are also negligence and incompetency on the part of an officer in regard to some particular work, which it has been his duty to do or to supervise. The fact that the officer is vested with discretion and judgment in the performance of the acts complained of does not prevent his removal because of them. Substantial breaches of the rules and regulations

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formulated by the city authorities or by the civil service commission pursuant to statutory authority are sufficient cause for removal. But not if the violations of the rules are unintentional, unsubstantial, and technical. Although rules have been formulated and causes of removal have been specified therein, these causes are not the exclusive grounds of removal, and the officer or employee may be removed by the removing power for other sufficient cause. But the mere fact that some other person is better fitted to fill the office or is more congenial to the appointing or removing power is not a cause of removal within the statutes."

Now, what is there in this case which is applicable to this question of removal for cause? It says clearly that the authority is the Governor-in-Council. The authority is the Government; therefore the authority is not Parliament. In my opinion, this Committee will report to Parliament, and Parliament has no authority, under the present laws—and I want it to be well understood, of course, that under the existing laws, Parliament has no authority to remove the Board of Pension Commissioners of Canada. Parliament has authority to change the law, and the law being changed, then the authority might be vested with Parliament, but with the law as it now exists, Parliament has no authority to remove the Commissioners. The Government and the Governor-in-Council alone have authority to do it, and this Committee does not report to the Government, but to Parliament.

Mr. CALDWELL: You are not taking the ground that Parliament has no authority to suggest to the Government what to do along these lines?

The CHAIRMAN: No. Parliament might pass a resolution suggesting it.

Mr. CALDWELL: "That in the opinion of this House certain things should be done." That is done repeatedly.

The CHAIRMAN: Yes, and then it would be up to the Government to act on that or not, as they pleased. But if they did not do that, we could not do anything further, because Parliament, in its wisdom, has placed this in the hands of the Government.

Mr. HUMPHREY: This is a special Parliamentary Committee acting on behalf of Parliament, is it not?

The CHAIRMAN: Yes, it is acting on behalf of Parliament, but at present we must always keep in mind the fact that the order of reference does not allow us to do this.

Mr. HUMPHREY: This Committee is an authorized Special Committee acting on behalf of Parliament; it would have a right to bring in cause under this particular section, to endeavour to show cause to the Governor in Council.

The CHAIRMAN: We have to take the order of reference as it is, and we may as well examine all the different sides of the subject now. Supposing that a motion was made before Parliament to enlarge the order of reference. Perhaps the point might be raised that Parliament has no right to enlarge this order of reference, and that Parliament itself cannot go any further than the order of reference as it is now, insofar as the Board of Pension Commissioners is concerned, but we have not to decide that point now.

Mr. RAYMOND: Do you argue that the authority that made the order of reference is unable to enlarge it?

The CHAIRMAN: I am of the opinion that the authority that made the order of reference is unable to enlarge it to cover the motion now before the Chair. That is my opinion. This will be a matter for Parliament to decide, but that is my opinion.

Mr. CARROLL: It is a matter for this Committee to decide.

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The CHAIRMAN: Oh no.

Mr. CALDWELL: Would you please just quote the words again that refer to pensions, in the order of reference? I have not it before me.

The CHAIRMAN: "Questions relating to the pensions."

Mr. CALDWELL: Yes, to my mind that includes amendments to the Act, and the administration of it. I do not think you can get away from that. If the order of reference said we were to consider matters relating to the amendments of the Pensions Act, it would be different.

Mr. HUMPHREY: That is the basis of my argument.

The CHAIRMAN: Of course, we are between truth on the one hand and mistake on the other, but it was my opinion that these words did not cover the Board of Pension Commissioners, and in order to make sure, I must say that I applied to the Department of Justice, and I have received this morning a letter which is signed by W. Stuart Edwards, acting Deputy Minister of Justice, which I will read. I only received this letter this morning, and I handed this matter over to the Department of Justice because I was so conscious of the importance of this matter, and so conscious of my own shortcomings, that I asked the Department of Justice to give me an opinion on the subject.

Mr. HUMPHREY: Could we have just the question that was referred to the Department?

The CHAIRMAN: Yes; I will read the letter, and it will be embodied in the proceedings. It is as follows:

J. J. DENIS, Esq., M.P.,

8th July, 1924.

Chairman, Special Committee on Pensions, Insurance
and the Re-establishment of Returned Soldiers.
House of Commons,
Ottawa.

Dear SIR,—Referring to your verbal request of yesterday—"

What I did was to explain what I wanted, and I gave them the order of reference and a copy of Mr. Humphrey's resolution. I thought that was quite sufficient for them to decide on, and I asked them, "Can this resolution be submitted to our Committee?"

"for advice as to the power of the Special Committee on Pensions, Insurance and Re-establishment of Returned Soldiers to recommend the removal from office of the Commissioners constituting the Board of Pension Commissioners for Canada, I beg to advise you as follows:

In the first place it is to be observed that the powers of the Committee, as stated in the Order of Reference, are "to consider questions relating to the pensions, insurance and re-establishment of returned soldiers, and any amendments to the existing laws in relation thereto which may be proposed or considered necessary by the Committee." Having in view the wording of the reference and the fact that this is a parliamentary committee whose duty it is to report to Parliament; I am of opinion that the intention of the reference was that the Committee would deal only with matters involving parliamentary action, and that it was not contemplated that any recommendation would be made with regard to the exercise of a power which is vested in the Government and over which Parliament under the legislation as it stands, exercises no control.

Even if it be assumed, however, that the Committee has power to make the recommendation in question, there is further difficulty that by section 3, subsection (2) of the Pension Act, it is provided that,

"Each Commissioner shall hold office during good behaviour for a period of ten years from the date of his appointment, but shall be removable at any time for cause by the Governor in Council."

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It will be seen therefore that Parliament has provided in effect that no member of the Board of Pension Commissioners shall be removable except for cause. Without attempting to lay down any general rule as to the interpretation of this provision in any particular circumstances which may arise, I think it well to point out that the courts have been accustomed to interpret the expression "for cause" in statutes such as this as meaning "legal cause" and "not merely any cause which the removing power may think sufficient; it must be one touching the qualifications of the officer or the performance of his duties, showing that he is not a fit or proper person to hold the office." See *A. & E. Ency. of Law*, Vol. 23 p. 442, and cases there cited. From the cases referred to in *Throop on Public Officers* at p. 361 et seq and numerous cases cited at p. 149, Vol. 29, Cyc.; p. 1009, Vol 2, Words & Phrases 2; and p. 594, Vol. 1, Words and Phrases 2nd Series; you will see that where a statute allows a removal for "cause" only the courts in the cases referred to have almost uniformly held that there must be some specific finding of misconduct, inefficiency, incompetence, corrupt or improper practices or other kindred disqualification, and that mere errors of judgment or mistakes honestly made are not sufficient. You will also find a useful discussion of this subject in section 477, page 798 of *Dillon on Municipal Corporations*, 5th Edit., Vol. 2.

Yours faithfully,

(Sgd.) W. STUART EDWARDS,
Acting D.M.J."

Therefore, relying much more on this authority than on my own, I must come to the conclusion that this motion is out of order. Now, I wish to point out to the Committee that this is simply my personal opinion, and the Committee is not bound by it.

Mr. CARROLL: You are the Chairman; you should know.

The CHAIRMAN: The Committee is not bound by my opinion, and if the Committee is of a different opinion they might so express themselves; it is within your power to reverse my ruling, and if it is reversed I can tell you that I will not complain about it at all, because I have had enough experience to be absolutely broad in these matters. You may reverse that ruling and ask that the report be made to Parliament asking that the Order of Reference be enlarged. My ruling now is, first, that this motion is out of order, and second, although it is, incidental, my ruling is that it cannot be enlarged, but if the Committee differs, I will be delighted to bring the report before Parliament, and to accept the opinion of the majority as reversing my own.

Mr. HUMPHREY: I would be the last one to enter into a legal controversy over this question or any other question, but I believe that the facts are such that they must be taken into consideration, and I did believe that the Order of Reference was so broad and the Act, Section 3, subsection 2, was such that placing a broad literal interpretation upon the Order of Reference and the Act, together with all the facts, it was within the scope of this Committee to handle that question, but outside of entering into a legal controversy I am the last to do it, because I hesitated to bring this question up at any time, but when it comes to a question of duty to this Committee, and duty as a representative of the people, I will certainly not hesitate in exercising what I think is the right and privilege of a member of this Committee and a member of the House. I repeat again, however, that I am not going to quibble over legal or technical interpretations of the law at this particular time, but will express my views, that in this respect, facing the facts as they are, that Parliament is supreme, and that this is a Committee of Parliament—if it is the opinion that this motion is out of order,

then I am quite willing to abide by the decision of the Chair in accordance with the wish of the Committee. However, I have to register a protest in some particular way, and I do not feel that really it is a question that should be side-tracked on a question of legal interpretation, or even a technicality.

The CHAIRMAN: Of course, it is too bad, but we have to follow rules, otherwise there would be no order.

Mr. CARROLL: Do you not think, Mr. Chairman, it would be the proper thing to take a vote on this matter?

The CHAIRMAN: I have just said to the Committee that the Committee is perfectly free to reverse my decision, and if they do I will not complain by any means, and I will very gladly report to Parliament. In that case, the report would be brought in as a separate report to Parliament and I will gladly bring it in. When I give my decision it is the ruling of one man, not more, and the Committee is composed of 29 members. I am only one, and it is up to you to reverse my ruling if you choose to do so.

Mr. CALDWELL: While I would be the last man in this Parliament to wish to disagree with our Chairman,—because I usually find myself in close agreement with these matters of judgment—I feel that this is such an important subject, I feel that it is a matter that neither this Committee, nor this Parliament, nor this Government can ignore. This demand has been so general; I have a letter here from the President of the G.W.V.A. of New Brunswick making this demand—

The CHAIRMAN: No doubt you are aware that you can bring this up when the pension estimates come before the House. I am just saying this for the information of members of the Committee who might not think of it.

Mr. HUMPHREY: We are well aware of that.

Mr. CALDWELL: I wish to deal with the point of order as dealt with by the Chair. While I have been averse to challenging the ruling of the Chair in any case, if it is necessary in order to get this before the Committee, or before the House, or before the Government, I will feel constrained to appeal from your ruling, and take a vote of the Committee, and I wish it taken in the spirit in which I make it. Therefore I move that we appeal from your ruling at this time, and take a vote of the Committee.

The CHAIRMAN: Very well; that is seconded by Mr. Carroll, that the ruling of the Chair that this motion is out of order be reversed, and that this Committee declare that the motion is in order.

Mr. CALDWELL: Yes, that is it.

Mr. BROWN: Could it not be put in this form, "that the ruling of the Chair be not sustained?"

Mr. CALDWELL: I think it should be put in a positive rather than a negative form.

Mr. SPEAKMAN: I want to see this matter discussed and the Committee pass an opinion on it. I am obliged to think that the ruling of the Chair as regards this motion as it is worded, is the correct ruling. What I would like to see, in order to meet the wishes of the Committee and my own wishes—because I would like to have an opportunity of discussing the evidence, and I would like to have the Committee given an opportunity of expressing an opinion on that evidence—I was wondering if it would be possible to have Mr. Humphrey and our Chairman with perhaps one or two others to consider this matter and perhaps bring this resolution forward in a way which would permit a discussion, and which would be in order. If it is impossible, or if it is unacceptable to the mover of the resolution, I intend to support the motion, because I feel it is incumbent upon us, I feel it is absolutely necessary that in one form or another we should be given an opportunity of considering the evidence, or arriving at

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an opinion on that evidence, and of expressing our opinion in the form either of an opinion expressed in our report or of an individual recommendation. If it is the wish of the Committee that this matter should be reconsidered by a sub-committee including Mr. Humphrey and the Chairman, and have the resolution brought forward in a manner in which we can deal with it, I would be glad to have it done in that way. If it is not the wish of the mover to do so, I will be compelled to vote for the motion of Mr. Caldwell.

Mr. CALDWELL: My purpose in challenging the ruling of the Chair was, because I understood it was not possible to bring this up in any form at all. I believe that this is the only possible method of getting this before the Committee at all; that if your ruling is sustained that this matter is out of court for the present at least or until the Act is amended, because I would submit that while the Governor in Council has the sole authority to remove the Board of Pension Commissioners, that Parliament is the government. Therefore, Mr. Chairman, I cannot think that you are serious in saying that this Parliament cannot make a suggestion to the government as to what it shall do in its policies, and while this is a Parliamentary Committee, it was appointed by the government, it is appointed by the authority of the House.

Mr. ARTHURS: It is appointed by Parliament; not by the government.

Mr. CALDWELL: The government decided to appoint this Committee. I submit, Mr. Chairman, that if the government had said, "No, we will not appoint a Pensions Committee this year", no Pensions Committee would have been appointed.

Mr. ARTHURS: And the same is true in the reverse. If the government decided to appoint a Committee, and Parliament said, "No", there would be no Committee. It is appointed by a resolution of Parliament.

Mr. CALDWELL: That is not the point that is before us. I want to make this plain first, that the reason I make this motion at this time is to get this before the Committee and before the House.

Mr. ARTHURS: I am absolutely in accordance with the Chairman. I do not believe this Committee has the power to make this recommendation nor do I think it would be wise to give any committee such power. There has been evidence that the Board has been deciding largely in favour of the Treasury Board rather than in favour of the soldiers; that is largely the complaint. All this matter can be brought up on a motion which is fully within our powers, and I cannot see any possible reason why this Committee should take an action which is unwarranted and which is very very unusual.

Mr. ROBINSON: Have they administered the law as it stands?

Mr. ARTHURS: That is the question. We can take that up.

Mr. CARROLL: I am one of those who think we can do anything at all, in compliance with the reference before us. I have seconded the motion to appeal from the decision. I do not think it is fair. I think it would carry abroad an opinion that we are against the returned soldiers. Let us take it down in the House, and if there is any person there who will kick against it they can do so. This Committee recommends to the Governor in Council that the Commissioners constituting the Board of Pension Commissioners of Canada be removed from office. I do not know anything about this as far as the motion is concerned but we can recommend that. There is nothing in the world we cannot recommend. I take a strong stand on that question. I say there is nothing in the world we cannot recommend; we could recommend to the Governor in Council that they hang the King or kill a man who has been dead ten years. We have the right to recommend that. You may smile, sir, but we have the right to recommend anything in the world.

The CHAIRMAN: I am not smiling at what you say Mr. Carroll; I am merely smiling in a good spirit.

Mr. CARROLL: You have given decisions, Mr. Chairman, according to my ideas and frequently they have been right, in fact, I might say, always right; but in this matter, I think you are wrong. I have no idea in the world of saying anything that you might think contrary, but I say that we have the right to recommend, and I am standing on that, anything at all relating to what is before us.

The CHAIRMAN: I consider that it is the duty of the Chair to advise the Committee as to procedure as best I can. There are two ways in which you can get this matter before the House, either by proceeding on this resolution reversing the decision of the Chair, or by asking Parliament to enlarge the Order of Reference. As it is now, you may go before Parliament with a proposition that would be more or less disputable. For instance, you are stating that the Order of Reference is wide enough to cover this resolution and you might fail in that before Parliament. That would be a technical point before Parliament, and you might fail on it. I am speaking in the interest of those who want to bring the matter before Parliament because, as I said yesterday, I have no opinion on this matter except as regards the law which I have quoted. That is my opinion and I want the views of each member of the Committee to be brought before Parliament if necessary. I do not want to preclude any one from exercising his rights. Therefore, I wish to point out that perhaps you are not following the best course in reversing my decision. Perhaps you had better ask that the Order of Reference be enlarged.

Mr. HUMPHREY: I do not think it is within your power, Mr. Chairman, to dictate or to make suggestions to this Committee as to what they shall do. I am prepared to take a firm stand in that respect. I think I have refrained from expressing myself strongly, but I must take exception to the Chairman interjecting suggestions as to what this Committee should do in this case. I respect your advice, as Chairman, and your counsel and interpretations also, but when it comes to suggesting that the Committee should ask Parliament to widen the scope of the Order of Reference, I must take exception. Opinions have been expressed with respect to your ruling; that is another question altogether. We must take into consideration the feeling throughout this country that this question has been so far side-tracked to a certain extent in the years gone past. I have not any quarrel personally with the Board of Pension Commissioners, but I am here to fulfil a certain obligation and duty, and knowing the conditions in a good many of the provinces and the feeling in respect to bringing this question to a head I considered it my duty to bring in something concrete which could be discussed in the form of a motion. I am not in favour of allowing this matter to be side-tracked in such a way as to have the reference broadened or widened. In my opinion, this motion can be entertained by the Committee. It is not compulsory upon the Committee to send this recommendation to Parliament, but they can entertain this motion and make a recommendation in respect to whatsoever they see fit. They can make a recommendation or turn down the motion. My object was to bring forward a concrete suggestion before the Committee and have a fair, openminded discussion on the facts. For these reasons, I would certainly support the appeal from the ruling of the Chair.

The CHAIRMAN: I just wanted to help you along. If you want to take that stand, I am perfectly satisfied. Perhaps it is a proper position, I do not know.

Mr. CALDWELL: One of the reasons why I appealed from your ruling, Mr. Chairman, was that you stated that in your opinion Parliament could not

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widen the Order of Reference. I am therefore somewhat surprised to find that now you advise us to take that course. Just a few minutes ago you told us that Parliament could not do so, and as you are a very able lawyer, I accepted your opinion.

The CHAIRMAN: My opinion is that the issue would be more clear cut before Parliament on the widening of the powers than on a reversal of the Chair's ruling.

Mr. CALDWELL: I believed that you were right when you said that you did not think Parliament had the power to widen the scope. Personally, I think the scope is wide enough. It refers to all questions relating to pensions, and I maintain that this relates to pensions. Therefore, I will stand by my motion.

Mr. BLACK: It seems to me that the resolution is out of order, if any resolution of this Committee can be out of order. It is said that no matter what we discuss, we can come to conclusions and make recommendations—

Mr. CARROLL: So far as they deal with pensions.

Mr. BLACK: The examples which Mr. Carroll suggested would certainly not come within the scope of our reference; for instance, that we could recommend the hanging of a man who had been dead for ten years. The resolution reads:

“That in view of the representations and information presented to this Committee, this Committee recommend to the Governor-in-Council that the Commissioners constituting the Board of Pension Commissioners for Canada be removed from office.”

I submit that it is not the duty of this Committee to recommend anything to the Governor-in-Council; we recommend to the House of Commons. The Governor-in-Council is beyond our correspondence all together. Why should we go out of our way to recommend anything to the Governor-in-Council? We do not know him, and he does not know us. We recommend to the House of Commons. If your ruling, Mr. Chairman, is sustained and the Committee feel that this motion is out of order, it does not by any means preclude this Committee from considering all the evidence laid before it and making proper recommendations on that evidence. There is no reason why this Committee should not call the attention of Parliament, not the Governor-in-Council's attention, but Parliament's attention to the state of affairs that seems to be indicated by the evidence.

Mr. CARROLL: How would you do it?

Mr. BLACK: By a recommendation, but not to the Governor-in-Council.

Mr. HUMPHREY: Do you not think that it is within the power of this Committee to make a recommendation to this effect to the House?

Mr. BLACK: But that is not what you propose to do.

Mr. HUMPHREY: If this were submitted to the House, the House would then have the privilege of accepting or rejecting it.

Mr. BLACK: If this resolution is passed, it is not submitted to the House. (This resolution says it is to be sent to the Governor in Council, to be considered at Rideau Hall.

Mr. CARROLL: No.

Mr. BLACK: Yes.

Mr. CARROLL: The Governor in Council is the Premier and his Ministers, and they will submit it.

Mr. BLACK: Our duty is to report to the House of Commons. In any event, I say it is a matter for the consideration of the Government and not for

Parliament. It is a matter for the Government to dismiss its own officials and discipline them as it sees fit. It is not the business of this Committee to do so. Do not think that I am not in sympathy with the returned soldiers or with the returned soldiers' bodies. I do not think that any of the returned soldiers' bodies would advance that idea for one minute or the representatives of returned soldiers. At the same time, I am not afraid to discuss the public business of the country with returned soldiers or with their organizations. I do not think it is necessary to make any bid for cheap popularity—

Mr. CALDWELL: Oh, oh! I think that is an insinuation.

Mr. BLACK: I am not insinuating.

Mr. CALDWELL: I would ask the hon. member to withdraw that remark.

Mr. HUMPHREY: It is an insinuation.

Mr. BLACK: I am not suggesting that any member of this Committee is making such a bid.

Mr. HUMPHREY: I have refrained from entering into any controversy, and I would be the last to accuse any one in this Committee; that has been far from my thoughts in the deliberations of this Committee or any other Committee. I ask consideration of my action in that respect, and I would hate to have any insinuation of that nature go on the record, imputing that any motive is in the mind of any member of this Committee in discussing this motion or any question, and referring to publicity or popularity in any shape or form.

Mr. CALDWELL: So far as making a bid for cheap popularity is concerned, I may say that there are practically no returned soldiers in my riding, they have practically all gone over to the United States. Therefore, it is not a matter of catering to popularity, and I rather resent the remark of Mr. Black. It is rather a mean insinuation, and I dislike it.

Mr. BLACK: I have already said that I did not make any insinuation concerning any member of this Committee. I have returned soldiers in my riding, and I have made it my business to look after their affairs, individually and collectively, not only in my own riding but in other ridings.

Mr. ROSS: I do not think that anybody has had more to do with pensions or with complaints in regard to pension administration than I. I would not like to vote against the consideration of such a motion as this in the House, but I do not think we have the power to go that far. There are recommendations that we can make. For instance, this Committee could make a recommendation that the Pension Act, so far as it relates to that clause as to the removal of the Pension Board, should be amended so as to give Parliament the power to remove them. If such a motion were made, I would support it, that is, if you go the right way about it. I do not think we are going the right way here. If a recommendation is made to amend the Pension Act by amending that clause as to the removal of the Board, I will support that; but I do not think that this Committee or even Parliament has that power at present.

Mr. CARROLL: What do you think about the Chairman's ruling about not recommending anything at all?

Mr. ROSS: I do not think—

Mr. CARROLL: That is the reason for the second motion.

Mr. ROSS: I am not going to discuss that. I want to know whether I am taking a right course or a wrong course. I do not want to be put in a ridiculous position. The point raised by the member for the Yukon (Mr. Black) is a new one. I think it is a sound one. If you pass this resolution, it will be a question of whether it will ever go into the House. If you submit that to the Prime Minister and the Government, or to the Governor in Council, it will not go to the House at all. I think the proper course to follow is to amend the law.

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Parliament must submit itself to its law. In my opinion the right course is to go to Parliament and ask Parliament to amend the law affecting the removal of the Board so that we can step in.

Mr. BLACK: I would like the Chairman to consider the point I have made. The resolution is to recommend to the Governor in Council, not to the House of Commons, and it is beyond the power of this Committee to make any such recommendation. We are supposed to recommend to the House of Commons.

Mr. CALDWELL: On that point, I did not realize that that was the wording of the resolution. However, I take it that we have the power to amend the resolution. I think the wording of the resolution should be amended so as to read that we report to the House.

Mr. CARROLL: As a matter of fact, we have the power to report to anybody.

Mr. CALDWELL: We can amend the wording of the resolution.

The CHAIRMAN: Certainly. There is a motion now before the Chair by Mr. Caldwell. Do you wish to withdraw the resolution now in order to amend it?

Mr. CALDWELL: Can that be done?

The CHAIRMAN: Certainly.

Mr. RAYMOND: There can be no amendment to an appeal against the Chair.

Mr. CALDWELL: Anything that is in order.

The CHAIRMAN: I would like to proceed in order, and I would advise you for the time being to withdraw the motion that my decision be reversed and amend this resolution.

Mr. CALDWELL: Withdraw it for the time being.

Mr. CARROLL: I think you are wrong.

The CHAIRMAN: Very well, I will let everybody proceed as they want to proceed.

Mr. HUMPHREY: It is a question whether we should proceed with the motion by Mr. Caldwell appealing against the ruling of the Chair. I do not know whether anything would be gained, but for the information of Mr. Caldwell and Mr. Carroll, I will read the original notice of motion. It was to this effect.

"It will be my intention, in view of the evidence brought before this Committee, to recommend that a report be submitted to the House recommending the dismissal of the Board of Pension Commissioners."

Mr. CALDWELL: Is that the motion?

Mr. HUMPHREY: In the second motion given to the Clerk the wording is a little different, but the original notice of motion was to the effect I have read.

Mr. CALDWELL: Who made the change?

Mr. HUMPHREY: I am guilty of making the change. It was an oversight on my part.

Mr. CALDWELL: I would contend that the original motion should stand.

Mr. HUMPHREY: That was the original motion as it appears on the record.

Mr. CALDWELL: Personally, I thought that that was the motion we were considering.

Mr. BLACK: No notice of this resolution has been given.

Mr. CALDWELL: The original has been on the order paper for several days.

Mr. BLACK: But he has brought in something else.

Mr. RAYMOND: I do not like to vote against your ruling, Mr. Chairman, but at the same time I cannot agree with it especially as regards the second

part when you stated that Parliament has not the power to enlarge the order of reference. I think it has the power to enlarge the Order of Reference. With regard to the other part, I would regret very much to vote against your decision. I think there is a general feeling in the Committee that the intention of this resolution, if I may use that phrase, is something that should be achieved.

The matter of the administration of pensions has been referred to the Committee, and it is definitely within the province of the Committee, if the Act has not been administered in a satisfactory manner, and if, according to the evidence, it has become evident that an amendment is required, to appoint a small committee to go into this matter. I would suggest that a sub-committee, consisting, say, of Mr. Humphrey, Mr. Caldwell, Mr. Carroll, and Dr. Ross, be appointed to draft a resolution which will be within our powers, and which may be submitted to the full Committee recommending to Parliament something on the order of the first resolution which appears to me to be quite in order, recommending a change in the personnel of the Commission, if that should be decided upon by the Committee, or asking Parliament to recommend to the Governor to make any change they like. I think a small committee appointed in that way to make a resolution within our powers would be the shortest way to settle this whole question.

Mr. HUMPHREY: With the consent of the mover and seconder on the appeal from the decision of the Chair I would move that this motion be amended by adding the following words—

Mr. CALDWELL: I would move it conform to the original motion. There is apparently an error in copying it.

Mr. HUMPHREY: It was amended to conform to the original notice of motion.

The CHAIRMAN: Will you give the wording then, so I will make no mistake? Just read your motion as you want it.

Mr. CALDWELL: It is in the record; Mr. Humphrey has it there.

The CHAIRMAN: The motion reads as follows:

“It will be my intention in view of the evidence brought before this Committee—”

That is not the form of the motion—

Mr. CALDWELL: He gave the substance of the motion.

The CHAIRMAN: He suggested substituting for the words “It is my intention” the words “This Committee recommends.” I asked Mr. Humphrey to give me the exact wording of this motion. It can be drafted right now.

Mr. BROWN: Does the ruling of the Chair still stand?

Mr. ROBINSON: Do you rule this one out of order too?

The CHAIRMAN: I will not say until I have it here. If you want this second motion to be placed before the Chair you should withdraw your resolution, because we have now the first resolution, the ruling, and then your motion to reverse the ruling.

Mr. CALDWELL: I withdraw my motion.

The CHAIRMAN: Therefore the ruling on the first resolution stands.

Mr. CALDWELL: I will, of course, be permitted to submit that resolution again, if I so wish?

The CHAIRMAN: Yes. You withdraw it now, for the time being?

Mr. CALDWELL: Yes, that is the intention.

Mr. RAYMOND: How can you make a ruling on a motion we did not have? If you have changed the motion, how can you rule on it?

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Mr. CALDWELL: I take it, Mr. Chairman, that both your ruling and the motion that you ruled on are away from the Committee at the present time, and we are beginning all over again?

The CHAIRMAN: That is it. Mr. Humphrey moves, seconded by Mr. Carroll, the following resolution:

"In view of the representations and information presented to this Committee, this Committee recommends that a report be submitted to the House recommending the dismissal of the Board of Pension Commissioners."

Is the Committee now ready to examine into this resolution both on the point of order and on the merits?

Mr. ROBINSON: Give your ruling first.

Mr. CALDWELL: Let us understand this situation. You have formally ruled the other motion out of order. We are now submitting a new one—

The CHAIRMAN: And the same ruling will be given, inevitably.

Mr. BLACK: Is it necessary to give a notice of motion?

Mr. CALDWELL: There has been a notice for days.

Mr. BLACK: I don't think so.

Mr. CALDWELL: You will find it in the record.

Mr. RAYMOND: Now, let us have the Chairman's ruling.

The CHAIRMAN: The notice of motion was given five or six days ago, but it was a different motion which was afterwards brought before the Committee. Now, in order that the proceedings may be regular, I will give my ruling. The Chair is of the opinion, for the reasons which have been already given on the previous motion that came before the Chair this day, and without repeating them, that this motion is out of order, and the Chair so rules it out of order.

Mr. CALDWELL: Mr. Chairman, I wish to move the motion I moved some time ago, appealing from your decision.

Mr. CARROLL: I second the motion.

The CHAIRMAN: It is moved by Mr. Caldwell, seconded by Mr. Carroll, that the ruling given by the Chair be reversed.

SEVERAL HON. MEMBERS: Question.

The CHAIRMAN: If there is no amendment,—I understand the right way to proceed is that there should be an amendment to the effect that the ruling of the Chair be maintained; otherwise the motion will carry immediately.

Mr. CALDWELL: You cannot move an amendment to that motion. An amendment cannot be an absolute reversal of a motion, I think. I may be wrong; you are a lawyer and can determine that point, but my impression is that an amendment can blot out a word, or a sentence, or a phrase, but you cannot move an amendment in absolute reversal of a motion.

The CHAIRMAN: The result will be the same. Mr. Caldwell moves, seconded by Mr. Carroll, that the ruling given by the Chair be reversed, and consequently the resolution which I read shall be passed.

Mr. RAYMOND: No, that is not in order.

Mr. ROSS: I don't think it needs an amendment. It simply appeals from the ruling of the Chair, a vote is taken, and if your ruling is defeated, then this must be submitted to the Committee.

The CHAIRMAN: I think I went one step too far. We did not examine the merits.

(On division, the motion was affirmed, 8 for; 3 against.)

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The CHAIRMAN: The ruling is reversed, and the motion comes before the Committee. Now this motion can either be discussed or voted upon by the Committee.

Mr. ARTHURS: Mr. Chairman, I think it is very unusual for a motion of this kind to be discussed in open Committee. The resolutions, of which this is one, should be discussed in camera.

Mr. HUMPHREY: I would make a suggestion. We have cleaned up the slate this morning in regard to this particular question, and this matter could now stand over for an executive meeting, and then could come up in its proper course for discussion. This vote merely means that the motion may be entertained by this Committee; it does not say it will be referred to Parliament or the Governor-in-Council, but it may be discussed at what we consider to be the best time, and, with that end in view, I will ask that the question stand over.

The CHAIRMAN: When would you like to consider the motion?

Mr. HUMPHREY: I would be willing to follow the advice of the Committee or of the Chairman.

Mr. CALDWELL: I take it a question of this kind is always considered by a Committee in camera; it is not discussed in open Committee. I understand we have two witnesses on the Order Paper for to-day, and it seems to me that this question has been dealt with as far as we are competent to deal with it to-day. I would suggest the witnesses be heard.

Mr. BLACK: Why should this be discussed in camera? I think it ought to be discussed in the presence of the soldiers' institutions. There is no reason for keeping this a secret.

Mr. CALDWELL: That might be a method of getting some cheap popularity.

Mr. ROSS: We should get along. This should stand as a recommendation of this Committee, be referred to the sub-committee, and then come back with the rest of them. That is why I think your ruling was rather in order. You and I may be mistaken, but I am going under the assumption that you are always right, and, therefore, I voted with you. Is this the position we are in? If this is to be a resolution of the Committee, we might as well vote on it.

The CHAIRMAN: This is a resolution to be considered by the Committee; it is not within the powers of the sub-committee to examine into it.

Mr. ROSS: You might as well settle it now.

Mr. RAYMOND: Certainly.

Mr. CALDWELL: I have no objection.

The CHAIRMAN: Mr. Humphrey asked that it come up in camera—

Mr. RAYMOND: The time is getting very short, and it would be better to settle it now and get on with the business.

Mr. HUMPHREY: The only thought I had in making that suggestion was to give us time to consider it carefully and to have a chance to bring out what would be the best thing to do. However, if the Committee wishes to go on with the resolution, I will not object. As far as I am concerned I have given careful study and thought to all the evidence, but there are some points I would like cleared up, and if the Committee thinks it is in a position to go on and dispose of this particular motion, all right. I thought a little consideration would be only fair to the members of this Committee and to the members of the Board of Pension Commissioners, and the representatives of the returned soldiers, should they wish to bring forth any further evidence. I do not wish to be put in the position of endeavouring to shut out anything that is considered in the best interests of the proceedings of this Committee, but as far as I am personally concerned, I could give my opinion, which I have refrained from doing, as to my reasons for bringing in the motion.

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The CHAIRMAN: As to whether or not we wish to proceed is a matter for the Committee to decide. Is it the pleasure of the Committee to proceed now?

Mr. ARTHURS: It has always been the practice of this Committee to consider matters of this kind at an executive meeting, and it is certainly very unusual to bring up any one resolution passed by this Committee, and discuss it openly. So far as we are concerned, we have a certain amount of evidence in this record; none of us have read it over recently, and, so far as I am concerned, I do not know the answer of the Board of Pension Commissioners. We do know they have a defence, and that they were acting under Order in Council, and under certain decisions of the Justice Department. These have not been laid before the Committee, and it would be unfair to go on and decide to cut their official heads off without any evidence being permitted in their own defence. As I have already stated, and it will be borne out by any older member of the Committee, these matters have always been discussed in executive session, where a full discussion pro and con could be had.

Mr. CALDWELL: I am not married to any one particular line.

Mr. ARTHURS: I would, therefore, support the mover of the motion who suggests that it be adjourned sine die, and be held with the others.

Mr. HUMPHREY: It was simply a question of time with me. I would hate to think we were doing anything unfair, and I think we ought to get on with the two representatives here who have come for the purpose of giving evidence.

Mr. CALDWELL: We do not want to keep them longer than is necessary.

Mr. HUMPHREY: I would suggest this be laid over and taken up again, possibly, later in the day.

Mr. RAYMOND: Let it stand until the next meeting.

Mr. CALDWELL: These witnesses are here, and we do not want to keep them any longer than necessary.

The CHAIRMAN: Before this is brought in again, notice will be given to members of the Committee.

Mr. CALDWELL: And the subject should be on the notice.

The CHAIRMAN: It was this morning, and now that we have adjourned it sine die, due notice will have to be given again.

Mr. CHURCH, M.P.: Mr. Chairman, if I may have a moment, I would like to bring up one matter before the Committee. I am representing a city in which there are a great many returned men. I brought the matter up in the House, and the Minister said your Committee would consider it. I know you are a busy Committee and I shall not keep you over three or four minutes. At the request of the G.W.V.A., the West Toronto Branch, I have brought certain cases before the Minister and the Department. These are the cases of Hughes (868387), McKown (58108), E. B. McKinnon (663575), Strickland (50678), Taylor and Smith. These are six isolated cases in the Toronto district. I am not here to attack anybody, but I will say that there is widespread dissatisfaction in Toronto to-day with the administration of the Act. Last winter, the Women's organizations of the city, the Board of Trade, the City Council and others had to organize tag-days and go round the streets of Toronto collecting money for disabled soldiers, who had been ruled against on some technicality, or by a difference between the Departmental and civilian doctors. These cases represent tubercular cases, total disability cases, and many other cases of distress. I may say I am very moderate and careful in what I say, because I believe that these gentlemen who are asked to administer the Act—it may not be altogether their fault, but it may be the way the Act is drafted. There is also a lack of sympathy in a great many cases. I appreciate the difficulty under which the department is working, but I do ask that these six or eight

cases should be taken up by the Committee. I did not want to take up any time in the House when the estimates were up, but I may say that these cases have been before the department now for three or four years, and there is a widespread dissatisfaction. In my constituency is the Christie St. Hospital, and men are coming to my office day after day, out of work, and unable to get any satisfaction. Here is a man, the Taylor case; he has a wife and three or four children, and the women's organizations went up there and found a distress which is very widespread. I say if nothing can be done by this Committee now there should be some section in the Act to give a wider latitude to the Minister and probably to the Pensions Board in cases of special merit. There should be a residuary clause making the Act more elastic, a clause to give the officials power to deal with these cases. We have been bandied about from pillar to post in connection with these cases; I can bring down recommendations from different people—

Mr. CALDWELL: Mr. Chairman, we have men here who have come at their own expense, and I think we should hear these witnesses now, and we can hear Mr. Church at a later date.

Mr. CHURCH: I will be through in a couple of minutes.

Mr. CALDWELL: It is the usual time for adjournment now, and I would suggest that we hear these other witnesses, if the Committee will stay, and then we can hear Mr. Church any time later.

Mr. CHURCH: I am just about through now, I suggest that there should be a clause in the Act giving wider latitude in dealing with these cases. At present there is lack of sympathy and a lack of justice. I referred to a letter just yesterday from General Turner, a very good soldier and a very moderate citizen, and he has been compelled to write a letter to the public press. I did not care very much about coming here, but I may say that in the district which I represent there is very widespread dissatisfaction. In the city of Toronto they have a Soldiers' Department, and they can get no satisfaction. There is dissatisfaction among the women's organizations in the city and there is much dissatisfaction in the way this Act is being enforced.

Mr. HUMPHREY: General dissatisfaction with the way the Board of Pension Commissioners is administering the Act?

Mr. CHURCH: I have the material, if the Committee chooses to go into it. There is the case of a poor cripple named Smith; there have been letters to the press about all these cases, but nothing has resulted. We are members of Parliament sent here by the people of the city of Toronto; I have gone to the Minister, he has referred me to the Committee, and the Committee tells me to come again. I have had some correspondence with the Minister; he is a very faithful and very conscientious Minister and has tried to do what he could. There is only one way to deal with this, and that is by putting in a residuary clause, somewhat as follows: "notwithstanding anything in the aforesaid Act, or any usage or custom to the contrary, the Department shall have the power to deal with these cases." This would prevent a lot of criticism, both of the Committee and of the Pensions Board, and would give them a chance to do justice. In many of these cases the women's organizations have to go in and look after them. I do not know what it is going to be like during the coming winter, they have had to have tag days before, and the people do not like them. Still we have had to have them to take care of the cases to which I have referred. I do urge upon this Committee that there is no fun about this thing for anybody. The joke is on the returned soldier, the man who was promised something would be done for him when he came back, and I agree with every word General Turner said. I know there are hundreds of people in the Toronto district who could write letters to the same effect. There is general dissatisfaction in the city

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with the way the Pensions Act has been enforced. I do not altogether blame the Board; I say the fault is very largely with the system, and the men probably have tried to do the best they could. I do not say they do all they can, because I know they do not; in many cases they are not sympathetic, and I do urge that there be some general clause put in the Act to give more equity. We have had enough law; the men have to go to the Pension Board and bring witnesses and so on, and are put to a lot of expense. We have an Act under which we are spending \$9,000,000 or \$10,000,000, and it is costing us almost half that much to administer it. The only cure I see is to put in a residuary clause which will cure about 80 per cent or 90 per cent of the dissatisfaction which is throughout the country.

Mr. CALDWELL: I would move Mr. Chairman, that we hear these witnesses now. It is hardly fair to ask them to be brief after what they have heard this morning, but I know they will not be very long.

The CHAIRMAN: Why not adjourn until after lunch?

Mr. CALDWELL: Whatever is the will of the Committee, but there is another meeting at 2 o'clock, and I think we might continue until half-past one.

W. S. DOBBS called and examined.

The WITNESS: Mr. Chairman, and gentlemen, there are one or two matters before we go on with the issue of wear and tear clothing and assessment of disability. I would like to bring to your attention one or two matters, first of all, regarding employment. We have an Order in Council, No. 2944; I do not know whether you gentlemen are acquainted with it but it deals with the training of certain disability cases in some of the permanent government departments. It provides for the re-establishment of certain disability cases by giving them training in a government department. I do not know whether that Order in Council is about to expire, but we would ask that it be continued, because it is of great value to certain types of disability cases. In connection with that, in the report of the Parliamentary Committee of 1921, at page 17, in section 11, there is an Order in Council, No. 4432, with an amending Order in Council No. 2247, which will expire on August 31st of this year. That Order in Council deals with compensation. The government assumes a liability of 20 per cent or over in certain disability cases who are employed in certain industries, if they meet with accidents.

By Mr. Caldwell:

Q. That is in connection with the Workmen's Compensation Act?—A. Yes. We would ask that that be continued if possible, because it provides for employment of a class of handicapped men, amputations cases, where employers would not take them without such a provision. Regarding the preference in Civil Service appointments, we would like to see that carried on as far as possible, because we have a large number of disability cases in Toronto who are yet unemployed. At the present time there are, on the staff of the Public Works Department in the city of Toronto, seven vacancies; four of them, I believe, are for cleaners or helpers, and three for elevator operators. There is a certain type of severe leg and arm disability case, a man ordinarily of the labouring type, with that class of education, training, and experience, whom we can fit into these elevator positions very successfully.

The regulation laid down by the Deputy Minister of Public Works has been that the elevator positions should be considered in the nature of promotion from the staff of cleaners. That, in itself, I suppose, is correct, but the elevator operators' position is an ideal one for certain types of disability cases. The man who is on the cleaning staff has the whole labour market thrown open to him and there are hundreds of other positions that he can get.

By Mr. Caldwell:

Q. Your point is that the elevator positions are specially fitted for amputation cases, that it is one of the few occupations that they can do efficiently?—

A. Yes, that they can do successfully and be re-established. That policy is already in effect here in Ottawa, and we would like to see that policy followed throughout the country at large as it is in Ottawa. That deals with the employment question. Regarding the policy of artificial limbs, we have two or three suggestions to offer, and I am submitting a memorandum to the Committee for their consideration later. We ask that we be consulted as an Association in the matter of improvements to artificial limbs. We have to wear these limbs, we have to use them, and we feel that our experience is valuable to the orthopaedic and surgical appliances branch. We ask that tests be made on amputations, and that we be consulted in any matter of improvement because we have to use and work with the limbs.

Q. What is the policy now? Is the Amputations Association consulted?—

A. No, we are not, not as a rule. We make our suggestions, but as a rule we are not consulted. A case in point is that of the light metal limb. At the present time the Government is considering the matter of light metal limbs, and certain types of limbs are being considered. For some reason the de Soutar limb is not being considered at the present time, and we would ask that a test be carried out on leg amputations under all sorts of conditions and various types of leg amputations in regard to those light metal limbs before the matter of the final decision as to the best type of light metal limb is decided upon.

By Mr. Ross:

Q. Did they not consent to consult you last year in the selection?—

A. Yes, but we have not been.

Q. Are they preparing to make this limb?—A. I do not know definitely what the final policy is, but I know that limbs have been ordered for certain types of amputation. I know certain men who have received them. What the arrangement with regard to the type of limb or with regard to the policy is, we do not know; what the result is, we do not know. The Government has issued a very satisfactory dress arm, a raw-hide arm of which I am wearing one. It is light, durable and comfortable; in fact, it is so comfortable that we have been able to induce amputations above the elbow to wear the most satisfactory dress arm I know of so far.

By Mr. Caldwell:

Q. What is its utility?—A. Just an assisting arm. The thumb moves, and the hand is detachable and can be removed.

By Mr. Humphrey:

Q. Is it a regular working arm?—A. No, dress; just assisting.

By Mr. Caldwell:

Q. Are you furnished with two arms?—A. Every man is issued with two arms. A dress arm and a working arm.

Q. The working arm is a utility arm?—A. And it is more solid. This suits admirably for the purpose for which it was designed. Regarding the working arm, some men do some pretty heavy work, and the matter was brought to the attention of the Committee in 1921 in reference to the Gawley arm. Mr. Gawley is a double-amputation himself, but using his father's hands and his eyes, he evolved an arm that was suitable for him. The two arms he uses in operating a small machine shop in Meaford. He can dress and undress him-

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self, and do everything for himself, except put on his tie. He has asked that this arm be brought to the attention of the Parliament of Canada, in order that a demonstration of the arm might be carried out so that the arm might be made for the benefit of arm amputations particularly. I intended to bring a photograph but I forgot it. I will mail one to the Committee a little later on showing Mr. Gawley and the arm. We would ask that his arm be demonstrated by the arm amputations to find out its usefulness. It is a clumsy looking arm but I think it could be made adaptable, and all Mr. Gawley asks is, if the Government desire to make these arms, that he be enabled to give assistance in the designing of them, because he knows the arm and its design.

By Mr. Caldwell:

Q. Has he any patent on this arm?—A. No. I should think that also would be a matter for the Government to protect him in. He offers it to the Government, and all he asks is that he be allowed a hand in the designing of the arm.

We have, as you know, a good many men in our Association who are blinded, and the matter of attendant's allowance for the blind has come up quite frequently, and I have been asked to present the views of the blinded soldiers to this Committee, and ask that the attendants' allowance be raised to \$550, in view of the fact that the former allowance of \$300—which is also effective at the present time—is not sufficient to provide efficient attendants in the streets.

By Mr. Ross:

Q. How many of your men are totally blind?—A. About 170, I think, according to Captain Baker. The present attendants' allowance only provides for a very small boy, and is not sufficient to provide a man who can assist them around the streets. I might say that about a month ago in Toronto, on Yonge Street, I noticed that a blind man had got in between a street car and its trailer. He thought that he was getting into the trailer, but he was in between the two cars. The car was about to start, and I got the attention of the conductor and he stopped the car so I could get the blinded man away from there. If he had had an attendant, he would have been able to have steered the man into the car properly. If I had not happened to see him, in another moment he would have been killed by being dragged under the trailer.

That, gentlemen, is all I wish to say to you.

Witness discharged.

Mr. MYERS: Mr. Chairman, and gentlemen: at different times we have appeared before this Committee and I have a pleasant recollection of our last appearance here, and I cannot allow this occasion to pass without commenting upon the courtesy that was shown to us. I have come here to-day to deal specifically with two matters that were embodied in the Report of the Royal Commission in regard to the total disabilities, the first matter being the question of the wear and tear of clothing, and the other in respect to the revision of the total of disabilities given in regard to amputation cases. I realize how involved these matters are, and in going over the evidence presented to this Committee this year I notice that on Friday, June 13th, Colonel Thompson, Chairman of the Board of Pension Commissioners, in giving evidence, made a certain recommendation regarding dealing with the recommendation of the Royal Commission as far as amputation cases are concerned. We concur in the suggestion that he makes, because as I recollect and as I know these matters, particularly as to the revision of the table of disabilities, it becomes very technical and very involved, so that the ordinary man unless he is thoroughly conversant with the whole thing, cannot altogether keep abreast of it, and the

[W. S. Dobbs]

result is that we get lost. We do not know what has happened in the last two or three years that we have presented this argument to you, but we do know that in presenting our argument before the Royal Commission at various points in Canada, principally in Toronto, they did make a report, and their report is that the Commission is of the opinion that while no radical change in the present table of disabilities is either indicated nor desirable, the necessary steps should be taken to examine and revise the Table of Disabilities in the light of the experience of the past six or seven years, with special reference to the matters hereinbefore discussed, as well as any other matters which may appear to call for remedy. If I may make a suggestion, I would request that a sub-committee of the medical members of this Committee be appointed to discuss this phase of the revision of the Table of Disabilities, plus the wear and tear of clothing, in conjunction with the experts, if you like, from the Board of Pension Commissioners, and I think we could settle this matter in one hour, and bring in a report to you. That, of course, is entirely up to you. It is so easy for us to work this thing out if we sit down at a table and discuss it. If I have to go into a long discussion here in the matter, I am afraid I would not be able to travel very far, and my suggestion to you gentlemen is this, that a sub-committee be appointed of the medical members of this Committee, acting in conjunction with Mr. Dobbs and myself, together with the experts of the Pensions Board; we could discuss this thing and figure it out, as far as the recommendation of the Royal Commission is concerned.

The Witness retired.

The CHAIRMAN: I thank you both, Mr. Dobbs and Mr. Myers. You are again most welcome before us, and I take great pleasure in asking the Committee to appoint immediately a sub-committee, according to your suggestion.

The Chairman nominated Messrs. Ross, Sinclair, Chisholm, and Caldwell to act together with Messrs. Dobbs and Myers and the experts of the Pensions Board in regard to the amendments suggested.

Mr. CALDWELL: I spoke last night of some amendments; I think possibly I had better put them on the record so as to have them for the consideration of the Committee later on.

Mr. PATON: I would like to have an opportunity of referring to some phases of the evidence which has been presented.

The CHAIRMAN: It is late now; we will hear you to-morrow morning.

Mr. CALDWELL: Will it be necessary for me to read these recommendations, or shall I just hand them in?

The CHAIRMAN: Just hand them in; that will be sufficient.

The following proposed amendments were handed in by Mr. Caldwell:

SUGGESTED CHANGES IN PENSION ACT

Section 11 of the Pension Act to be changed by putting into subsections (a) and (aa) the contents of subsection (a).

Section 11 of Chapter 62 to be changed by sub-dividing subsection one into two subsections, subsection 2 becomes subsection 3, 3 becomes 4, there being 6 subsections in all.

Section 11 of the Pension Act

(a) Pensions shall be awarded, according to the rates set out in Schedule A of this Act, to members of the forces who have suffered disability resulting from injury or disease, when such injury or disease was attributable to or was incurred or aggravated during such military service.

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(aa) Pensions shall be awarded, according to the rates set out in Schedule B of this Act, in respect of members of the Forces who have died, when the injury or disease resulting in death was attributable to or was incurred or aggravated during military service.

Section 11—Chapter 62

(1) Upon the evidence and record upon which the Board of Pension Commissioners gave their decision an appeal to the Federal Appeal Board shall lie in respect of any refusal of pension by the Board of Pension Commissioners on the grounds that the disability resulting from injury or disease or the aggravation thereof, was not attributable to or was not incurred during military service.

Section 11—Chapter 62

(2) Upon the evidence and record upon which the Board of Pension Commissioners gave their decision an appeal to the Federal Appeal Board shall lie from any refusal of pension by the Board of Pension Commissioners in respect of members of the Forces who have died when the grounds for such refusal are that the injury or disease resulting in death was not attributable to or was not incurred or aggravated during military service.

Section 11—Chapter 62

(5) An applicant shall be entitled to only one appeal upon the grounds or any of them set out in subsections 1 and 2 of this section of this Act. The decision of the Federal Appeal Board thereon as to the law and the facts, shall be final and shall be binding upon the applicant and upon the Board of Pension Commissioners for Canada.

The Committee adjourned.

COMMITTEE ROOM 436,

HOUSE OF COMMONS,

WEDNESDAY, July 9, 1924.

The Special Committee appointed to consider questions relating to Pensions, Insurance and Re-establishment of Returned Soldiers, met at 11 o'clock a.m., Mr. Denis, the Chairman, presiding.

The CHAIRMAN: Gentlemen, we have now practically concluded the taking of evidence before this Committee. There is, however, one more witness to hear from. When the charges were made against the Board of Pension Commissioners by Mr. MacNeil and others some time ago, I asked the Board if they would want to say something in rebuttal which, in my opinion, was their right and privilege, and they said they probably would. I am informed that Mr. Paton is desirous of making a statement before the Committee. Therefore, I will invite Mr. Paton to make his statement now. That will conclude the evidence to be taken before us. Immediately afterwards, the motion by Mr. Humphrey that the Board of Pension Commissioners be removed from office will be submitted in accordance with the notice that was given. Mr. Paton has already been sworn, and will now make his statement.

J. A. PATON recalled.

WITNESS: The evidence given by Mr. MacNeil has been perused by the B.P.C. I am instructed to briefly refer to some of the issues raised.

On page 350 of the Proceedings Mr. MacNeil states "We have not had a square deal and we are not obtaining a square deal to-day," etc. The fact that thousands of disability and dependent pensioners are, and have been for years, in receipt of pension regarding which no complaint has at any time been raised is sufficient to discredit the statement referred to.

By Mr. Ross:

Q. Now, right off the bat, is that a good statement to make, to say that no complaints have been received and therefore they are being well treated?

The CHAIRMAN: I would like the members of the Committee to allow Mr. Paton to make his statement and then it can be discussed later.

WITNESS: On page 351 Mr. MacNeil states "We gained remedial legislation last year but the officials of the Pension Board have shown no desire to give effect to any remedy." This statement is false. The Board has reviewed every file affected by the legislation of 1923, and has awarded or increased pension in every case where indicated by the Statute.

On page 355 Mr. MacNeil refers to the Board's interpretation of subsection (b) of Section 3, Chapter 62, 1923. In order that there might be no doubt as to the interpretation of this amendment it was submitted to the Department of Justice which ruled as follows:

"I have considered your letter of the 29th ultimo submitting a question as to the effect of Section 3, (11) (1), paragraphs (a) and (b) of Chapter 62, of 1923, amending the Pension Act and I adhere to my opinion of the 15th of June, 1923, which you quote. I do not consider

that paragraph (b) authorizes any grant. It has its application only in certain cases for the purpose of determining the grant which may be made to a person who has established his eligibility for pension under other provisions of the Act."

Perhaps I had better read that Section.

By Mr. Caldwell:

Q. What Section are you referring to?—A. Section 11—(1) (b).

Q. Chapter 62?—A. Yes. (Reads).

"No deduction shall be made from the degree of actual disability of any member of the forces who has served in a theatre of actual war on account of any disability or disabling condition which existed in him at the time at which he became a member of the forces; provided that no pension shall be paid for a disability or disabling condition which at such time was wilfully concealed, was obvious, was not of a nature to cause rejection from service, or was a congenital defect."

In giving evidence before a Committee of the Senate which considered the proposed legislation in 1923, the Chairman of the B.P.C. made it very clear that in his opinion sub-section (b) of Section 3 of Chapter 62, 1923, made no change in the law. Present at this Committee were Mr. MacNeil and other members of the Veterans Alliance. The Royal Commission has given this clause careful consideration and at the time was fully informed of the Board's interpretation thereof. The Royal Commission made no recommendation and comment as follows:

"This Section is admittedly a generous one and the Commission considers its further extension not warranted."

The case of Isaac Walker, No. 415634 was referred to by Mr. MacNeil on page 356. Under oath he stated:

"(a) Pension was refused on the grounds that the Insurance principle of the Pension Act had expired on September 1, 1920;

(b) The evidence as to pre-enlistment disability was somewhat confusing."

The facts of the case as established by the documents are:

"(a) On the medical Board of 27-2-19 there appears the following over Walker's signature—'ear condition dates from childhood. Intermittent discharge from right ear for 10 or 12 years and deafness for that time.'

(b) He died two years and nine months after discharge.

(c) The ear condition was noted on discharge but he did not complain nor was he treated at any time on service, nor post discharge, for this condition and it was not known from what cause he died until his body was exhumed.

(d) Pension was properly refused to dependents in December, 1922, death not being 'attributable to military service as such' as required by the law in force at that time. The decision of the B.P.C. at that date was in part as follows:

"This man had suppuration ear prior to enlistment. He was discharged two years and nine months without any increase in the meantime. Even if there had been on discharge an aggravation warranting a small gratuity his death eventually resulted two years and nine months after such slight aggravation (if established) would not entitle dependents to pension."

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(e) The case was reviewed under the amended legislation of 1923, and the decision of the Commissioners then rendered was,—

‘Death was not the result of any aggravation of his condition during service and this case would not appear to be affected by the amending legislation.’”

On page 356 Mr. MacNeil refers to the interpretation of the word “obvious” as set forth in the 1923 legislation and cites the case of D. B. Tait, No. 28893. In support of his statement that the interpretation of this word is not being given effect to as recommended by the Royal Commission and that the dependents of this soldier were refused pension on account of the fact that he had an obvious disability on enlistment. The facts are,—

“(a) The meaning of the word ‘obvious’ as interpreted by the amendment of 1923 merely placed in the Statute what has been the Board’s interpretation and practice for some years past;

(b) Tait’s dependents were refused pension on account of the fact that he had a heart disability on enlistment which was considered sufficient to cause rejection from service. He was, however, allowed to enter the service on the special understanding that he would receive no compensation in respect of his heart condition. This was all noted on his documents and the man signed a waiver on attestation.

(c) He was discharged in a physical condition as fit as on enlistment;

(d) He died two years after discharge on account of an attack of subacute rheumatism followed by acute endocarditis;

“(e) Admitting that he had a slight aggravation on service this aggravation did not result in death. His dependents, therefore, are not entitled to pension according to the terms of the Statute.”

On page 358, Mr. MacNeil refers to the case of No. 865628, H. S. Liddell, and states that it was suggested to the Board that the judgment given by the Federal Appeal Board regarding entitlement to medical treatment be accepted by the Board as applicable to pension. The judgment of the F.A.B. was in part as follows:—

“The Board ordered and adjudged that the said appeal (made by the D.S.C.R.) should be and the same was disallowed, that the said judgment of a Commissioner should be, and the same was confirmed, but the relation to service is limited to the recurrences up to and including the attack that commenced in August, 1922.”

In any case it would not be possible to give effect to such a judgment under the provisions of the Statute. If Liddell was entitled to pension for an aggravation during service pension must be continued for so long as the aggravation exists and could not be limited to a fixed period as suggested by the judgment of the F.A.B. in the claim for pay and allowances.

The Board considers it altogether advisable in rendering judgment in cases where aggravation has occurred to place on file an estimate of such aggravation before the case goes to the F.A.B. in order that the Board may not be accused after judgment has been rendered of nullifying the judgment of the F.A.B. by estimating a low per cent of aggravation.

On page 360 Mr. MacNeil accuses the Board of purposely estimating a disability as negligible in order to negative a judgment of the F.A.B. So that whether the assessment is made before or subsequent to appeal the result is the Board is accused of ulterior motives.

[Mr. J. A. W. Paton.]

On page 359 Mr. MacNeil complains that the Board of Pension Commissioners insists on the withdrawal of an appeal before new evidence can be considered. This is not the practice of the Board. Cases have, however, come to its notice in which judgment has been rendered by the F.A.B. before a decision has been given by the B.P.C. on the new evidence submitted, thus depriving the man of further consideration if the judgment be adverse. In the interests of the man the withdrawal of his appeal prevents his case being disposed of by the F.A.B. before the new evidence has been considered by the Board. In this matter the Board is governed by the regulation contained in Order in Council P.C. 212, February 8, 1924, subsection (g) of which is as follows:—

“Should it be found by the appellant, the Official Soldiers’ Adviser, or other representative of the appellant, that there is evidence in support of the claim which had not been considered by the Board of Pension Commissioners or the Department of Soldiers’ Civil Re-establishment, the Federal Appeal Board shall be notified and the appeal shall not be disposed of until the new evidence has been submitted to the Board of Pension Commissioners or the Department of Soldiers’ Civil Re-establishment, as the case may be, and a further decision given.”

Mr. MacNeil states that the judgment for treatment is not accepted by the Board as a judgment in respect of pension. This is correct. There are clauses of the Pension Act which do not admit of a pension being awarded but which in no way effect entitlement to treatment. A judgment necessarily cannot carry a judgment for pension under the law as it exists.

On page 360 Mr. MacNeil refers to the case of Albert V. Lane, No. 86869, and states that this man “wrote a letter to the Board stating he would like early consideration of his pension claim” and that the only reply he got from the Board was “I have your letter undated, regarding the Medical Board. I see by your file that you have been continued on pension at the rate of 15 per cent.” This statement is entirely false. No such letter was ever issued from the offices of the B.P.C.

On page 361 Mr. MacNeil refers to the case of Skipper Thomas Motley. The facts of this case are,—

- (a) He was 57 years of age on enlistment;
- (b) On service he suffered an attack of hemiplegia, (stroke);
- (c) He was discharged March, 1919, and awarded pension at the rate of 50 per cent which in November, 1920, was raised to 75 per cent;
- (d) Eight days previous to death, on December 4th, 1920, he was seized with acute vomiting due to hernia of the bowels into a congenital opening (a very rare condition);
- (e) He was operated on and died following operation;
- (f) The Board’s decision was that death was from an acute condition and in no way related to his stroke.

Mr. MacNeil states under oath,—

- (a) Dependents had not been given the benefit of the doubt;
- (b) The case has not been appealed; and
- (c) the appeal has not been heard.

These statements are false inasmuch as the appeal was heard by a single member of the F.A.B. on March 29th, 1924, and a decision of the B.P.C. confirmed. Applicant has reappealed to a quorum of the F.A.B.

On page 363, Mr. MacNeil complains of the method of investigation, in the case of the widow of Gnr. John Bland (No. 300611). The Board desires to

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state that while it orders an investigation to be carried out it has no power to regulate the conduct of the investigators which are employed in this work.

On page 364, Mr. MacNeil refers to the case of the widow of L/Cpl. Joshua Lester (No. 701272). Information submitted to the Board shows,—

(a) That the man residing with her was living apart from his wife and family who resided in Toronto;

(b) That the house consisted of a shack of two rooms—one bedroom;

(c) Mrs. Lester stated that she occupied the bed at night while he worked and that he occupied the bed in the day time. During week-ends and holidays she slept on the sofa in the other room.

It is to be noted in this case that a civic official of the city of Winnipeg who is thoroughly conversant with all the facts of the case has expressed the opinion that the Board's decision cancelling pension was correct. He has requested that consideration be given to restoration of pension on the facts as they now exist, in that the former pensioner has mended her ways.

On page 356, Mr. MacNeil refers to the case of Charles Walker (No. 1570). The file of this soldier shows:—

(a) He served with the Internment Camp Guards, Amherst, N.S., for approximately two months, a greater part of which he was sick.

(b) He was awarded a fifty per cent pension on account of aggravation during service of a heart condition and paralysis to which was added an allowance for helplessness;

(c) When pension was awarded great indignation was expressed throughout the district by ex-service men;

(d) Investigation together with medical examination followed and it was conclusively proved that his disability was due to syphilis. Pension was discontinued;

(e) Appeal was lodged to the F.A.B. which heard the case and disallowed the man's appeal. While as a matter of fact this judgment was "ultra vires" it does not affect the case, pension having been refused on account of improper conduct.

On page 370 Mr. MacNeil makes reference to the case of Private A. A. Astels. Owing to the fact that this man died when in receipt of pension at one hundred per cent awarded in error the question of dependents' right to pension was submitted to the Department of Justice. The Department of Justice ruled as follows—

"Referring to your letter of the 1st instant and previous correspondence with regard to the case of Private A. Astels, I have reached the conclusion that for the purposes of Section 33 (2) of the Pension Act the Commission may exercise the powers conferred by Section 7 and inasmuch as the claim of the widow is dependent upon the right of her husband that the Commission in ascertaining that right is not bound by the previous grant. Full administrative powers are conferred upon the Commission who may deal with all matters appertaining to pensions and award, refuse, cancel, pay and administer them. I think therefore that it is within the discretion of the Commission to reduce the pension awarded to the deceased husband to its proper category. Otherwise the power which the Commission exercises to correct mistakes would be, in a measure at least, ineffective."

On page 374, Mr. MacNeil refers to the procedure in Great Britain and the United States regarding appeal on assessments. In order that the Com-

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mittee may be clearly informed on this point the procedure in these countries may be set forth as follows.

In Great Britain there is, as regards assessment, no appeal to an independent tribunal outside of the Ministry of Pensions except in the cases of "final awards". A pensioner dissatisfied with an assessment (other than a final award) has, under certain conditions, the right to have his case re-heard by officials of the Ministry of Pensions and not by the Appeals Tribunal. With regard to a "final award" this may briefly be described as being a fixed and permanent award for a disability which may or may not be variable from time to time. On such assessment only a pensioner has the right of appeal to an independent body, namely the Appeals Tribunal (Assessment). Canada has no equivalent of a "Final Award".

In the United States there is no independent Appeal Board of any description whatever. There are District Appeal Boards and a Central Appeal Board to which appeals against assessment may be lodged. These appeal Boards are under the jurisdiction of the Director of the Department.

The procedure in Great Britain and the United States is not more favourable to the man than the procedure at present in force in Canada, namely that a man's case will receive immediate reconsideration respecting assessment on submission of medical evidence that the disability is greater in extent than recognized by the B.P.C.

The greater portion of Mr. MacNeil's evidence is merely a repetition of charges against the B.P.C., which were investigated by the Royal Commission and disposed of in its report on the first part of the investigations which speaks for itself. The balance of his evidence contains charges regarding refusal of the Board to accept decisions of the F.A.B. and of charges against the Board of attempting to nullify its decision.

The Board of Pension Commissioners submits that the evidence presented to the Royal Commission and to this Committee shows that in the administration of a great multitude of pension problems no greater percentage of errors has been committed than is unavoidable with all large undertakings in which the human element is the prepondering factor. The Board has no claim to be more than human, and submits that the evidence before the Committee establishes that the Board has administered its duties to the best of its abilities and in accordance with the terms of the Statute.

Mr. HUMPHREY: May I ask you to refresh our minds by reading again the first two paragraphs of your memorandum?

The WITNESS: (Reading).

"On page 350 of the proceedings, Mr. MacNeil states—'we have not had a square deal and we are not obtaining a square deal to-day, etc.' The fact that thousands of disability and dependent pensioners are, and have been for years, in receipt of pension regarding which no complaint has at any time been raised is sufficient to discredit the statement referred to.

"On page 351, Mr. MacNeil states—'We gained remedial legislation last year but the officials of the Pension Board have shown no desire to give effect to any remedy.' This statement is false. The Board has reviewed every file affected by the legislation of 1923, and has awarded or increased pension in every case where indicated by the Statute."

The CHAIRMAN: I do not wish to preclude any member of the Committee from asking questions, but I do not think any result can be obtained by so doing. This is what is known as evidence in rebuttal, merely answering the statements and charges made to this Committee by Mr. MacNeil. My opinion

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is that the witness should not be examined, because I do not think it will get us anywhere, but if any member of the Committee chooses to ask questions, he is at liberty to do so. If no questions are asked Mr. Paton will be discharged.

By Mr. Robinson:

Q. There is one thing I would like to know. Possibly the other members of this Committee may be familiar with it, but I am not. You act on the advice of doctors? You have medical men who advise you along these lines and help you to give your decisions?—A. We have medical advisors in the Head Office here; we have no other medical men.

Q. Who chooses these medical men?—A. They are chosen by the Board.

Q. And I assume you attempt to get the best medical advice obtainable in the Dominion?—A. That is what we have done, under the circumstances.

Q. What do you mean by "under the circumstances?"—A. It would be very difficult to get the highest medical men in the Dominion for the salaries which are paid medical advisors to the Board of Pension Commissioners.

Q. To me it would seem a lot of this hinges on the standing or ability of the medical men employed by the Board. Just to clear this up in my own mind, these men are expert men who have been on the job long enough to know their business, and their opinions would be taken not only by you, but by anybody in the Dominion?—A. These men have been trained in the work and are chosen for their experience. I might say, that in doubtful cases we refer to outside opinion, and we then get the highest opinions in Canada. It does not necessarily follow the opinions of the medical advisors are the last words on the subject; many cases are referred to outside medical men—specialists.

Q. You claim you have administered the laws as they stand, fairly and squarely?—A. Absolutely.

By Mr. Ross:

Q. Who advises the Board in regard to the selection of the medical advisors? Does the Board do it of its own motion?—A. The Chief Medical Advisor to the Board.

Q. And he selects them on their experience?—A. He submits a recommendation to the Board as to the qualifications of these men. Of course, most of these men have been on our staff for a considerable time.

By Mr. Caldwell:

Q. If the Board finds the medical men are not suitable to them, they have the right to dismiss them at any time, I suppose, and get others?—A. Yes; I think they have the power to get rid of them if they are not suitable.

By Mr. Ross:

Q. What is the salary paid to the medical officers?—A. \$4,500.

Q. And you have nine of them?—A. We have nine, and the senior medical officer.

By Mr. Arthurs:

Q. As a matter of fact, the outside medical advisors are under the control of the D.S.C.R.?—A. The pension medical examiners are on the staff of the D.S.C.R., those who examine the soldier when he comes in for medical examination.

Q. You have no control over that examination?—A. No, we have no control over them.

By Mr. Ross:

Q. You retain a good many of these men?—A. We retain no specialists, but I believe specialists are retained by the D.S.C.R., and their services are always available.

Q. You can hardly make a distinction between the two?—A. Not in specialists, but I would differentiate between the medical examiners, because we have no control over them.

Q. It is all one; one man governs it all.

Mr. ARTHURS: And that man is not under the Pension Board, but under the D.S.C.R.

Mr. PARKINSON: Mr. Chairman, concerning the remarks of Mr. Paton regarding the lack of control of the Board of Pension Commissioners over the medical examiners and investigators, I would like to have the privilege of making a short statement as follows. For the purpose of giving the Board of Pension Commissioners full control over the policy of the pension examiners, the same man who is chief medical advisor of the Board of Pension Commissioners is the director of medical services of the Department. I refer to Dr. Arnold. No pension medical advisor is appointed without the full approval of the Board of Pension Commissioners, as obtained by the chief medical advisor. Insofar as the investigators are concerned, all policies respecting their work are under the direct control of the Board of Pension Commissioners, who are simply required to make any representations they may desire to me, and they are given, or would be given immediate effect. No such requests for changes in policy have been made since this staff was taken over under the administration of this Department. In this connection, practically all the investigators who were employed under the Board of Pension Commissioners are still employed in the same capacity under this Department.

Mr. MACNEIL: Mr. Chairman, the statement was made that no such letter as I referred to was written; the letter is in our possession, written by the Pension Board to the man. The statement which Mr. Paton refers to as being false, I can produce concrete evidence in.

The CHAIRMAN: This brings us to this point, which I will immediately submit to the Committee. Charges have been made against the Board; officials of the Board appear and present a written statement. In my opinion we should stop there, unless we want to investigate into these charges, and it is very doubtful whether the Order of Reference would cover that, first of all, and secondly we could never do it because the Session would not last long enough. For instance, Mr. MacNeil made some assertions; Mr. Paton comes along and says that in his opinion those are false. Nothing but a judicial inquiry could establish what are the exact facts, and we would have to refer to the files and examine them carefully, and so on, and I do not think it is the opinion of the Committee that we should do that now, because it is not within the scope of our activities, and we lack time as well. Therefore I think this matter should be left as it now stands, unless the Committee decides otherwise.

Mr. CALDWELL: Might we ask that Mr. MacNeil put that letter in?

The CHAIRMAN: Yes. If he has any documents to put in he can do so.

Mr. CALDWELL: Mr. Paton has referred to the findings of the Royal Commission as refuting the charges made by Mr. MacNeil. If I might do so, I would suggest that we put on record the findings of the Royal Commission.

The CHAIRMAN: They speak for themselves.

Mr. SHAW: It is already on record, before the House.

The CHAIRMAN: That is all, Mr. Paton, thank you.

The Witness retired.

[Mr. J. A. W. Paton.]

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The CHAIRMAN: Now we will examine this resolution, notice of which was given a few days ago by Mr. Humphrey, and which was moved yesterday by Mr. Humphrey and seconded by Mr. Carroll. I will ask members of the Committee if they wish this motion to be discussed in camera, that is members of the Committee only, or else before outsiders.

Mr. CALDWELL: In view of the fact that I made the suggestion yesterday that we consider this in camera, I should like to say if there is any evidence to be put in on these points we should certainly hear it in open meeting. It is a fact that no Committee prepares its report to the House in public; I think the House might very well refuse to consider a report which was first given to the public and the press. I think it is necessary that we should reach our decisions in camera, but so long as there is anyone who wants to bring forth any evidence on these points, we must receive it in open session. However, I think the point is well taken, that the Committee must, in considering its report, do so in camera, and the report must be made to the House first. That is my only point.

Mr. ARTHURS: I am of exactly the same opinion as I was yesterday, that these decisions should all be made in private by the Committee.

The CHAIRMAN: That is my view. Is that the opinion of the Committee?

Mr. CALDWELL: It is not that I wish to shut out anything that may be said on these points.

Mr. ARTHURS: I might also point out that I believe that a great deal of this dissatisfaction we are now called upon to consider is due to the fact that newspapers, publications, soldier associations and so on were informed last year that certain legislation had been passed by this Committee and passed by the House. They were not informed that the Senate had made material changes in the legislation, and they went on the supposition that certain Acts had been passed which were not passed, for the amelioration of their condition at that time, and I think it is very unwise to let any report go out until the final report is made.

The CHAIRMAN: Therefore we will proceed in camera.

The Committee went into executive session.

COMMITTEE ROOM 424,

HOUSE OF COMMONS,

MONDAY, July 14, 1924.

The Special Committee appointed to consider questions relating to Pensions Insurance and Re-establishment of Returned Soldiers met at 11 o'clock a.m. Mr. Jean J. Denis, the Chairman, presiding.

S. MABER called and sworn.

By the Chairman:

Q. Mr. Mabber, you are the Acting-Chairman of the Soldiers' Settlement Board?—A. Yes.

Q. Have you examined the proposed resolution by Mr. Speakman as it appears on page 129 of the Proceedings?—A. Yes.

Q. Will you please tell the Committee what that proposed resolution would mean in expenditure if it were carried out?—A. I have a statement here which shows the amount of principal owing by the Soldier Settlers still on the land—\$74,000,000. This amortized over 25 years amounts to \$131,000,000. The interest included in these amortized payments amounts to \$57,000,000. We have already rebated interest under Consolidation amounting to \$10,000,000. That makes the total interest payable by those settlers \$47,000,000. If the interest already charged to settlers in previous years is included in this proposal, it will mean another \$6,000,000, making a grand total of \$53,000,000 in round figures, which will be exempted under the proposal to waive all interest.

Q. That is paragraph 1 of the proposed resolution?—A. Yes.

Q. Have you examined into paragraph 2?

By Mr. Caldwell:

Q. Before we come to that, you speak of a \$6,000,000 charge for interest. How much of that is collected?—A. About \$4,000,000 approximately.

Q. The other \$2,000,000 was added under Consolidation?—A. There is a total charge on interest of \$7,000,000, something over \$7,000,000. Over \$3,000,000 is unpaid.

Q. That was added two years ago to the capital indebtedness, and amortized over 25 years?—A. Yes, some of it.

By Mr. Shaw:

Q. Did you say that \$10,000,000 has already been paid?—A. No, waived.

By Mr. Brown:

Q. How much has been added to the principal as amortized?—A. We figure that \$6,000,000 have already been charged to those settlers, not including the \$47,000,000 I have mentioned. That is approximately, I cannot give the figures exactly. In any event the total interest amount is well over \$50,000,000.

Q. \$4,000,000 of that has been collected?—A. The total interest payments we have received are \$4,000,000 on all accounts. My understanding is that if the amendment is approved as proposed, that \$4,000,000 will be given back to the soldiers.

Q. That is, if it is retroactive?—A. It will be credited to their principal.

[Mr. S. Mabber.]

By Mr. Speakman:

Q. How do you segregate interest from principal in the payments made?—A. They are kept separate in our books. The interest payments are kept separate.

Q. By percentages?—A. If a man pays an instalment, the interest is charged first and then the balance.

By Mr. Caldwell:

Q. Under the amortized scheme the interest payments in the early years would be much greater; as the payments progress, the interest payments become less and the principal payments greater in proportion?—A. Yes.

Q. Therefore, you have not received very much on the principal?—A. Not very much. I have not the figures on that point.

By Mr. Speakman:

Q. As a matter of fact, \$4,000,000 represent the bulk of the total payments made?—A. We have received on account of loans a total of \$18,000,000 paid by soldiers.

By Mr. Caldwell:

Q. I thought it was only about \$9,000,000?—A. That includes the initial payments.

Q. And resales?—A. Yes, resales. These figures have been fully given and I am not prepared to discuss them. There was one point in connection with the first suggestion that I wanted to bring to the attention of the Committee. That is that the taking away of interest entirely from the scheme takes away entirely the profit side of our account. Interest is the Board's chief asset. The scheme has an earning power at the rate of 5 per cent per annum on the money invested. Under our financial arrangement with the Treasury, this interest accumulation has become an off-set to the cost of the scheme. It is a real and actual off-set to the cost of administration, supervision, collections, foreclosures and resale expenses as well as to losses on resales. It is true that the whole 5 per cent is not required for these purposes, but at least 2 or 2½ per cent is required. That would mean an accumulation over the 25-year period of \$20,000,000 or \$25,000,000, sufficient to balance all possible costs and losses. The Board has no serious objection to the principle of interest exemption above what is required for operation costs, but it does feel rather strongly that sufficient interest should be allowed to accumulate to cover such items as collections, foreclosures, administration, etc. If the scheme is deprived of the whole of this asset, it leaves the scheme poor indeed, from the standpoint of administration.

By the Chairman:

Q. Have you any observations to make regarding our proposals. There are five of them altogether. Take the second.

"All overdue principal shall bear interest at the rate of 5 per cent per annum, payable on."

A. I have no comments to make.

By Mr. Speakman:

Q. That is payable from the time it is in arrears, as indeed it is now. My idea was that there must be some incentive to the men or they would not be able to pay. It is directly co-related to the first?—A. Yes, it is a corollary to the first.

Q. You must have that incentive?

[Mr. S. Maber.]

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By the Chairman:

Q. Then the third proposal is:

"All settlers shall be allowed a discount at the rate of 5 per cent per annum on payments of principal made prior to the due date thereof."

That also is a corollary to the first?—A. Yes.

Mr. SPEAKMAN: In which case it is an incentive.

By the Chairman:

Q. The liability of the country remains the same?—A. There is one point I think we should mention; some provision should be made in order that the Finance Department credits the scheme with the full amount; otherwise the discount is shown as a loss against the scheme.

By Mr. Shaw:

Q. You mean as against principal? Take the loss as against the principal?—A. I mean this. Supposing a settler would take advantage of that in paying us off in full. If he owed us \$1,000 and he paid in full, he would only pay us \$646; that is, the discount would amount to \$354; that is the 25-year discount on that. Well, I think the Finance Department should credit us with the \$1,000, because it is not fair to the scheme to say that only \$646 has been credited.

By Mr. Caldwell:

Q. Because the Finance Department has the use of that money, and they are paying 5½ per cent for it?—A. Yes.

Mr. CALDWELL: Might I suggest that we are getting into the ramifications of this thing. We should go into the principle of it, and not take up anything else.

The CHAIRMAN: The scheme is there and it speaks for itself, and we have asked the witness what it costs. That is all we need.

Mr. BROWN: He gave his opinion that it would interfere to some extent—.

The CHAIRMAN: It will interfere like anything else, just like the deficits of the National Railways interfere with our finances.

Mr. BROWN: It could all be arranged by a matter of bookkeeping.

The WITNESS: I am only pointing out that if you take away the whole interest you are taking away the whole asset. It was quite reasonable to expect the scheme would carry itself out of the interest accumulations and it will carry itself out of say 2 per cent of the accumulations, but to take away everything leaves nothing to cover the cost of the scheme.

The CHAIRMAN: There is no doubt about that. If you take away the interest some provision will have to be made to replace it.

Mr. CALDWELL: Under the original scheme there was never any provision made for administration costs. We were loaning money for one-half per cent less than we were paying for it. To my mind we must discuss this question from this angle, what is going to be best for the country. If we sit tight and let this scheme run on, I think it is the unanimous belief that a part of this land will revert to the government. If we make a physical revaluation or waive the interest, we must consider whether that will be best for the country. We must leave out the soldiers' aspects of this entirely, I think, in considering it, and settling it, because that would not appeal to the House or the Senate, I think. We must consider it from this angle, I contend, that if we sit tight and do nothing the country will lose more than if we waive the interest. It is something which I think we are pretty well agreed on, that something must

[Mr. S. Maber.]

be done, and I think we must decide to what extent it will be, 3 per cent or 4 per cent of the interest. I think that is what we should settle.

Mr. SPEAKMAN: There are two factors which seem to me to enter into this. The first is that since the first two years, when the bulk of the men went on the land, the settler's ability to pay, which depends of course absolutely on the productive value of his farm, has been reduced about 75 per cent. I think that bears out Major Barnett's statement, when he stated that farm produce has been reduced in value about 50 per cent. That would reduce the settler's ability to pay by 50 per cent, but on the other hand his operating costs have not been reduced to any great extent; wages have remained much the same; the various costs have remained very much the same, and the surplus available for debt reduction has been probably 50 per cent less than it was in those first two years, and that surplus again would only be worth half as much. So, practically speaking, his ability to pay has been reduced 75 per cent. I realize, of course, that it would be absolutely unfair to make a cut to that extent, because of the speculative value of the 25 years, during which time conditions may improve, prices may reach a better level, and his operating costs may be lower and so on.

The CHAIRMAN: Are you preparing a question? If not, we will proceed with the evidence first, and take up the argument later.

Mr. SPEAKMAN: This is largely evidence. The witness has given his reasons why it would be unfair to the Board.

The CHAIRMAN: I do not think Mr. Maber said that; he pointed out that it would be for the Committee to decide what would be the consequences. I would not have him put on record as having said it would be unfair to the Board.

Mr. SPEAKMAN: Very well, I will withdraw that.

By Mr. Clark:

Q. Mr. Maber, did you say the balance outstanding on account of loans was approximately \$77,000,000?—A. \$74,000,000, the active soldier settlers, excluding all who have left.

Q. Are there some others included in Major Barnett's statement?—A. Yes, all those who have left the land are included in his statement.

Q. His statement says, "Gross Loans" to be \$100,000,000, and he says so many have left the land, and then he says that the balance outstanding is \$90,757,000?—A. That includes all those insolvent, and all interest accumulations. That is the total, with interest. I have given you in that \$74,000,000 the figures prepared by our accountants to show the principal due by settlers on the land.

Q. This figure of Major Barnett's includes some who have left the land?—A. Yes, everything.

Q. I notice this statement does not say what percentage of loans are now in default. That is the question I asked first.—A. It is 18 per cent.

Q. 18 per cent of the loans throughout Canada are now in default?—A. Yes.

Q. For interest payments?—A. No, they have defaulted and left the land.

Q. What percentage of the total loans are in default, whether for principal or for interest, say interest first?—A. Last fall there were payments due of \$4,908,000.

Q. That does not answer my question. Is that for interest?—A. That is for principal and interest.

Q. I want to know what percentage of the total loans; we have so many loans in Canada; what percentage of those are actually in default for interest

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or principal.—A. I have those figures this year. 77 per cent of our settlers have made some payment, in whole or in part, and 46.5 per cent of those paid in full. About half of those who made payments paid in full, and the other half of those have not paid in full; they are to some extent in arrears. 77.5 per cent of those having due payments last year have paid in whole or in part, and of those, 46.5 per cent of the 77.5 per cent paid in full.

Q. That would be about 35 per cent of the total?—A. About one-third of the total, and 53 per cent paid in part.

Q. Could you carry that back and tell us what the situation was the year before?

Mr. CALDWELL: I submit, Mr. Chairman, that these percentages do not mean anything. If a man owed \$500 and made a payment of \$10, he would have paid in part.

Mr. CLARK: The percentage of those who have paid in full means something.

The WITNESS: The total amount collected this year is \$2,401,046; the total amount due was \$4,908,059. The total amount of money collected is 49.9 per cent.

By Mr. Clark:

Q. Can you carry those figures back one year?

Mr. CALDWELL: That means, speaking of those who have "paid in full," that they have made their payments in full for these years, and not that they have repaid their loans in full, as the public may think. These statements are very misleading to the public. We understand them here, but the reports of this Committee are sent out by the members, and I find they are very much misunderstood throughout the country. They say, "If 75 per cent have paid in full, what is the kick?" It means they have met the payments which were due this year in full, so I think if we get the amount due and the amount paid we should deal with that feature of it, at this stage of the Committee anyway.

Mr. BROWN: Just on that point are there any, as a matter of fact, who have discharged all their obligations to the Board, who have taken land under this scheme.

The WITNESS: Yes, about 680 have repaid their loans in full.

By Mr. Caldwell:

Q. They did that in the very early stages, after the settlement?—A. No, from time to time, right along.

Q. But the most of them have done it within the two or three years after the beginning of the scheme?—A. These are cases who have repaid, from the commencement up to now, got clear of it altogether.

Mr. SPEAKMAN: There are two things we really ought to know. That is, what percentage of the total payments were in arrears in 1922, because of the fact that the arrears were consolidated. That would show how far the soldier settlers have been able to meet their obligations as they arose.

Mr. CLARK: I think Mr. Speakman is after the same thing I am, but I have started cross-examining the witness and I would like to have an answer, following up that situation in 1923, showing what was the situation in regard to the same things in the year 1922. I think that is what Mr. Speakman wants.

By the Chairman:

Q. Will you go ahead and answer that question?—A. I have a similar statement for the preceding year. There was a total due that year of \$2,926,-

[Mr. S. Mabey.]

000, and a total collected of \$1,837,000, or 62.8 per cent. Then of the total settlers with payments due, 69.3 per cent made payments. Of that 69.3 per cent, 61.6 per cent paid in full, and 38.4 per cent paid in part.

By Mr. Clark:

Q. Now, could you give us the situation to-day? You have given it for 1923, I understand, and 1922; could you tell us what the situation is now, what percentage of the total loans are in default to-day, and what amount is still outstanding in interest and principal?

By Mr. Shaw:

Q. Might I interrupt for a moment? Are the years given the fiscal or calendar years?—A. Fiscal years.

Q. So we have the year 1922-23 and the year 1923-24?—A. Yes. I am afraid I am not prepared to answer all these questions.

By the Chairman:

Q. If you are not prepared to answer any particular question, you only have to say so.—A. I have not a statement which shows the proportion of interest and principal still owing, in arrears by settlers, but we can get that for you.

By Mr. Clark:

Q. You have not it now?—A. No.

Q. I think it is of vital importance to the Committee to know what percentage of the soldier settlers are in default to-day, and what is the amount.

The CHAIRMAN: Was that not included in Major Barnett's evidence?

Mr. CLARK: I cannot find it there; I do not think it is.

The CHAIRMAN: I cannot find it offhand, but I think it is in there.

The WITNESS: The collection figures I have given for this year show over one-third of them paid in full.

By Mr. Clark:

Q. What year is that?—A. 1923-24. We have no figures past that.

Q. Those figures you gave for 1923, did they relate to interest payments due in 1923, or did they include interest payments due in 1923 and all previous years?—A. Yes sir, all previous years.

Mr. CALDWELL: There were no interest payments due in 1923, because we remitted the interest two years ago, for two, three and four years.

Mr. CLARK: Then these figures relate to the arrears?

Mr. CALDWELL: The arrears were added to the principal and amortized over 25 years. Now there is this point. Last year, 44 per cent of the total payment was made, but that total payment was very small compared to what it would have been if there had been no interest payments due on it, because in the earlier years the interest payment was the big end of the payment. With only the small end of the payment due, there was only 44 per cent of that paid. Had this interest all been remitted two years ago and the interest added to this payment due last year, there would have been possibly not 18 per cent or 20 per cent of the due payments made, if they had been called upon to pay interest as well as principal. There is an important point. If the payment of interest had been added, the percentage of payment would have been very small indeed, if these men paid all they could, and I presume they did.

The CHAIRMAN: I do not want to prevent any member from asking further questions, but I believe that all the rest is arguable. We have the scheme, we have the costs, we know how it has worked in the past; we have the evidence of Major Barnett. I do not think we should question the witness any further because we have all the evidence, we have the figures and we know the situation.

[Mr. S. Maber.]

APPENDIX No. 6

By the Chairman:

Q. Have you examined Mr. Shaw's proposal on page 184 of the Proceedings?
—A. Yes.

Q. What would be the expenditure involved; in other words, the loss to the country?

By Mr. Caldwell:

Q. About the only estimate would be the administrative cost involved in carrying out this scheme. The amount in principal is not decided?—A. You also have the evidence from the veterans as given by Mr. Walker, in which you will remember he says that under this proposal—

Q. Mr. Shaw's proposal?—A. Yes, Mr. Shaw's proposal, only about 50 per cent of the veterans who have purchased land would apply for revaluation. Presumably, the other 50 per cent would not apply.

Q. On what did he base that statement, do you know?—A. I only read the evidence. He says that after discussion with the veterans on the ground in various parts of the country that was the conclusion to which they came, that 50 per cent of the veterans would apply for revaluation which would amount at the 25 per cent rate of revaluation to some \$7,000,000. That is the evidence of the veterans' representative.

Mr. CALDWELL: I do not know on what he bases it.

By the Chairman:

Q. If all applied it would be \$14,000,000?—A. He estimates that 50 per cent of the veterans would apply.

Q. Why would not they all apply? If it is good for 50 per cent, why should the other 50 per cent not apply?—A. We have some districts in which our soldiers are settled on lands that have increased in value. I might cite Nova Scotia and Prince Edward Island where the lands have suffered no depreciation. There is a considerable number of settlers who are not affected by deflation. The veterans estimate that 50 per cent would apply for the benefits of a revaluation scheme.

Q. Have you been able to make an estimation yourself?—A. As to the administration costs of revaluation as proposed by Mr. Shaw, two members appointed to the Board at \$10 each would be \$20; if they worked on an average 6 months, or 180 days, that would be \$3,600; ten offices would therefore cost \$36,000.

By Mr. Caldwell:

Q. What about your valuers?—A. If they worked for the 12 months it would cost \$72,000. On the basis that one-half of the settlers would apply, 10,000, less than half of them will require to be inspected on the ground, and 5,000 actual inspections at \$20 each would cost \$100,000. The total cost would be somewhere in the neighbourhood of \$136,000. If the Board sat for a full year, and if the whole 10,000 farms were inspected, the total cost would be \$300,000. That would be the administration cost. There is another comment that I would like to make. If it is so desired, the merits of both the proposals could be merged; that is Mr. Speakman's proposed relief by way of interest exemption and Mr. Shaw's proposed relief by way of revaluation. If there is any objection to the principle of a capital reduction, the relief as determined in each individual case can be given in the form of interest rebate. In that case, the amount of interest rebate, or interest exemption to be granted would simply be the equivalent of the capital reduction as determined in that case. I will explain what I mean. Take the case of a land loan of \$4,000. That is revalued and you take off 25 per cent, which is \$1,000. The settler then owes \$3,000. You can give that relief in one or two forms; it is quite immaterial which. You can take \$1,000 off his capital or take \$1,773 off his interest.

[Mr. S. Maber.]

By Mr. Caldwell:

Q. Off his amortized payments?—A. Yes, exactly. It will be the same as taking \$1,000 off his capital.

Q. \$1,000 of capital amortized would be \$1,773?—A. When you give a man a reduction of capital, you are giving him more than \$1,000. You are also giving him the interest which would have accrued in the 25 years. So it is only a matter of book-keeping as to which way you give relief.

By Mr. Brown:

Q. The vital difference between the two schemes does not lie in that; it lies more in the question of a flat cut or a revaluation of individual holdings, which of course involves administration expenses. I do not know whether you have correctly estimated that or not; that is a question. I think the amount required would be very much higher?—A. We do not consider it would cost very much.

Q. You allow \$10 a day for——A. For two members on the Board.

Q. Is that their remuneration?—A. Their remuneration.

Q. What about their expenses?—A. That would be included under appraisals, whatever they would cost. It would depend on how many farms they would inspect. \$20 a day on inspection is a fairly reasonable amount of money for appraisal.

By Mr. Caldwell:

Q. You do not think that that would cover a man's salary and expenses?—A. \$20?

Q. Yes.—A. Yes. In dealing with a district a man could probably cover two or three farms in a day, where they are close together. The work could no doubt be done by districts and the expenses spread. It is not so much a question of the value of each farm as the amount of deflation that has occurred in that district. It will not be the value that the Board will have to determine, but the deflation for that district. We can agree with the settler as to the value; the question is to decide how much deflation has occurred.

Mr. Speakman:

Q. What is the present price of the land compared with the price at which it was bought?—A. Yes. There would be no dispute as to the physical characteristics of the farm. It is only a question of the price now compared with what he paid for it.

Q. It would be on the market value of the holding as compared with the market value of the products?—A. Market values are determined by productive values.

Mr. CALDWELL: The Royal Commission does not agree with that. It says that where there has been a marked deflation of farm products there has been no marked deflation in the value of the property. If you are going to base it on the productive value of the land, you could do that sitting in your office without seeing the farm?—A. My understanding of the Ralston Report is that it conceded the principle of revaluation as a matter of principle but did not recommend that it be immediately applied. It did recommend that the State should stand behind the soldier on that principle, and when it is determined that revaluation is necessary, it should be made, and the relief could be in the form of interest exemption. It did not advocate immediate revaluation, but if in the Board's opinion the time should arrive, and if economic conditions continued to be disastrous a few years from now and another revaluation became necessary, it seemed reasonable that it should be made and that the State should stand behind the soldier.

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By Mr. Caldwell:

Q. In one way the Royal Commission's recommendation is sound, and in another way it is not. Ten years from now, we may arrive at better conditions, but in my opinion in ten years you will have very few settlers to deal with, if you do not deal with the matter now?—A. The Board is not objecting to immediate valuation.

Q. That is my point, immediate revaluation in order to retain the men who are discouraged and practically determined to quit. It is not only a question of keeping them on the land, but of keeping them in the country.

By the Chairman:

Q. You have given us the estimation of one witness before the Committee at \$7,000,000. Have you made an estimation yourself?—A. The Board's opinion is that that estimate is a very reasonable one.

Q. Just about within the limits?—A. As far as we can judge, but how can one tell?

Mr. CALDWELL: Of course, this witness had a pre-conceived idea of just what this cut in value was going to be. He was presuming that the cut in value would be 25 per cent, and that is only a guess. He made another guess that only 50 per cent of the soldiers would apply for revaluation.

The CHAIRMAN: What would be your guess?

The WITNESS: What I say is that I am inclined to concur with that estimate, so far as we can concur; we have not examined it. If we had done some work of that kind we would know.

By the Chairman:

Q. Do you not think that cut would be more than 25 per cent, for instance?—A. From our viewpoint, it is not a matter of amount, it is a matter of principle. The soldiers came back from the war and the state financed them to buy stock and buy land. They do that for a few years and they find it is not worth what they gave. The Board is in the same position; we financed \$90,000,000, and now we find it is not worth it. We were expected to collect that money, and it cannot be done. That is to say, the argument is that the soldiers have been sold land by the government which is not worth what they paid for it, and the question is whether the state should absorb the difference, whether those who are soldier settlers should be expected to stand an economic loss due to a deflation which was caused by the aftermath of the war which they won.

Mr. BROWN: It is not a question of whether they are able to stand it or not; I think it is a question of whether they should be expected to stand it.

Mr. CALDWELL: I think the witness made the best statement when he said it would be impossible for the Board to collect the money. Now, what is the best method, or what method can you employ, without driving the men off the land?

By Mr. Speakman:

Q. You are speaking of \$7,000,000; that only includes the land?—A. Yes, that only includes the land. I was going to give you an estimate on the live stock. The total advanced for live stock was \$13,500,000. The proposal of Mr. Shaw is that 60 per cent should be given at once, without any inspection, up to the year 1920, and 40 per cent on that purchased during 1921. \$2,000,000 was advanced in 1921; 40 per cent of that is \$800,000. Previous to that \$11,500,000 was advanced, and 60 per cent on that is \$6,900,000, or a total of \$7,700,000. That, in round figures, is what the soldiers would get as a direct cut on live stock. That would be a total capital reduction of \$14,700,000, taking the \$7,000,000 given by the Veterans.

By Mr. Caldwell:

Q. Or, if they all applied, \$21,000,000?—A. Yes, something like that. That \$14,000,000 capital cut would mean, in terms of interest exemption, something

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in the neighbourhood of \$21,000,000 or \$22,000,000 perhaps. Giving \$22,000,000 in interest exemption is the same as giving \$14,000,000 in a capital cut.

Q. So the physical revaluation is more costly than it appears on the surface?—A. For instance, Mr. Speakman's proposal of interest exemption would be the same as giving a capital cut of \$22,500,000. They are interchangeable terms; it is only a matter of bookkeeping.

By the Chairman:

Q. So in order to give full justice to Mr. Speakman's proposal, you have given figures to show that his proposal, taking everything into account, would mean a cut of about \$53,000,000; and Mr. Shaw's proposal, taking everything into account, would mean a cut of about \$22,000,000?—A. Yes.

Q. Leaving aside the administration?—A. Yes.

Mr. CALDWELL: And you are only figuring on a revaluation of 50 per cent of the farms.

Mr. BROWN: And 25 per cent of a cut, which I do not think will cover it at all.

The CHAIRMAN: Do you believe it will be over 25 per cent.

Mr. BROWN: Yes.

Mr. CALDWELL: And I think over 50 per cent of the men will apply.

Mr. BROWN: I know districts where a proper revaluation will reduce it to nothing, because there are farms in certain parts of Manitoba where the only condition under which men can stay is that they get them as homesteads.

Mr. SHAW: The interest exemption in that case, would be satisfactory to them?

Mr. BROWN: In those cases I want further exemptions on live stock.

The WITNESS: Speaking of the relocating of settlers, I think the Board has already gone into that phase of Mr. Speakman's proposal. We would like the power of relocating soldiers where we thought it was necessary.

Mr. BROWN: I think the Board, in the exercise of its discretion, should either relocate the men or allow them to stay where they are, with the amount reduced to a homestead basis.

Mr. CALDWELL: So in a revaluation you would also have to add that to your estimate, which would make it almost as much as the other.

The CHAIRMAN: Before Mr. Maber leaves us, have you any more questions to ask which would enlighten the situation? As I have already said, it is more a matter of argument; we have the facts.

By Mr. Brown:

Q. There is another question I was going to ask. In the matter of revaluation, have you taken into account the possibility of the different Boards working on an entirely different basis, and the possibility of dissatisfaction through the different Boards exercising their own judgment in very different ways, and different methods, and the possibility of appeals from their decisions?—A. The local Board would be more cognizant of the facts in its particular district than any general Board could be, and the principle of local boards, is, we think, preferable to the general Board. It is very important, of course, to have competent men appointed.

Q. I could understand one Board going out and saying, "In our district we think we should reduce by 25 per cent," and another Board might say 50 per cent.—A. In some districts in Manitoba it is quite likely that the deflation would be more than 25 per cent. That 25 per cent is only an average. In some districts it would be 10 per cent, and in others 50 per cent or 75 per cent. It depends on the circumstances in each district.

Mr. SPEAKMAN: The main point might be this, that in certain districts resales have been made which show the market value of land in that particular

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district, and which may show no depreciation. In other districts no sales have been made, and you would have to make an estimate of the productive value of the land.

By Mr. Shaw:

Q. May I ask one question? I understand, Mr. Mabber, that when the loans were made by the Board you invited land value men to sit with your Board, outside of the Board altogether, and give you the benefit of their judgment?—A. Yes sir.

Q. I remember in the city of Calgary you had three or four men, all of whom I know to be thoroughly familiar with practically every part of Alberta. Was that practice followed throughout all parts of the Dominion?—A. Yes sir.

Q. And did you find it entirely satisfactory?—A. Yes, sir; we found that the advice of these men who were outstanding in that line of business was of great assistance in the early stages of our Board's work, because our staff was inexperienced.

Q. I understand that at the outset they gave their services free?—A. Yes sir.

Q. But subsequently you allowed them a certain amount?—A. A per diem gratuity.

Q. Take in the province of Alberta, you had men whom I know personally were familiar with practically every portion of the province; they were familiar with the land values in every portion of it, and had very extensive experience. I suppose those men would be still available, so far as you know?—A. Yes.

Q. Then there are some parts of Canada, I believe, in which even if revaluation were made, it would be found that the land had increased in value instead of decreased. Take, for instance, in the province of Nova Scotia, the land has actually increased in value. You are aware of that?—A. Yes, that is so.

Q. And of course, in a place such as that, the soldiers would not get and should not be entitled to get any reduction, should they?—A. You are asking my opinion on that?

Q. As compared with the man who has suffered a very substantial deflation in his property, he should not get a cut?—A. A cut is proposed because of deflation. If there is no deflation, on what ground are we to give him a cut?

Q. Are there some cases in which men did not purchase land at all, but only cattle and stock, equipment, and so on?—A. No.

Q. Are there any cases in which homesteaders, for example, took up land under the Homestead Regulations through the Board?—A. I think we have about 3,000 active settlers on Dominion lands.

Q. So that a revaluation scheme or an interest exemption scheme could not possibly affect them except as to the stock and equipment?—A. Yes.

Q. Those figures indicating the production in live stock during the years 1918-19, 1919-20 and 1920-21—are they to your knowledge approximately correct?—A. Oh, yes, they are approximately correct. I might say that in our ordinary book-keeping we do not keep track of the live stock separate from stock and equipment, but in our agricultural department, in checking up, we have kept track since 1919 and these figures amount to 500,000.

Q. I was thinking more of the percentage of reduction suggested in subsection 12. That is approximately correct? That is the 60 per cent and the 40 per cent?—A. I think so.

Q. Now, it was intended under this revaluation scheme that the revaluation should be permanent and final; that is that it should be conclusive. That was the intention so expressed. Do you think that a board such as you had

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in Alberta, for example, cognizant of the entire situation would be able to handle the revaluation situation in that province so that it would be generally satisfactory, and eliminate all this discord and dissatisfaction that now exist?—A. We would prefer, I think, when it came to a matter of the appointment of valuation boards—if it should come to that—that they be entirely appointed, that the two boards be appointed entirely outside of our own organization. We would prefer that nobody would act on that board who had previously acted on the Soldiers' Settlement Board, except the one representative that we would be allowed. We think that revaluation should proceed independently of our organization.

Q. Regarding subsection 2 of Section 3, I notice in reading some of the evidence that some witnesses had an idea that "incapacity" had some special significance. Unfortunately I used it in the legal sense. The meaning I wanted to suggest was incompetency, that is, a defect in the settler not arising by reason of ill-health.

Mr. CALDWELL: Not his physical condition?

Mr. SHAW: No, his incompetency for farming.

By Mr. Knox:

Q. There is just one question I would like to ask, which may have been asked while I was out. I would like to get Mr. Mabey's opinion as to the comparative cost of administering the two schemes?

Mr. CALDWELL: He gave that. We did not ask him as to the comparative cost of administering Mr. Speakman's scheme, because there would not be any.

Mr. KNOX: Yes, there would be, as to moving the men.

Mr. CALDWELL: That is involved in both.

By the Chairman:

Q. What would be the administrative expenditure necessary to carry out Mr. Speakman's scheme? It is practically nothing.—A. Nothing outside of bookkeeping expenses.

By Mr. Knox:

Q. What is the estimated cost of the other?

Mr. SHAW: He said about \$300,000 if the scheme went for a year, and about half that if it only lasted six months.

By Mr. Knox:

Q. And you estimate only 50 per cent of the men would apply for revaluation?—A. No, sir, that is what the returned men estimated, that 50 per cent of their number would apply.

By Mr. Caldwell:

Q. One further question, with regard to the settlers who purchased stock. The question was asked if you had the number of settlers who purchased only stock and equipment, not land. Did you not have quite a number for whom you only purchased land, who had their own stock and equipment? I know this applied in my own province, because if they had money enough to pay the 10 per cent on the land, instead of paying more than that they bought their own stock and equipment.—A. Yes, there are quite a number of settlers who have only land loans.

Q. So that this revaluation or cut in interest will not apply to those men except on stock and equipment?—A. It will not apply to any man who has not anything on which to apply the cut.

Q. I think we have a good many settlers in Nova Scotia who will meet their own losses from deflation on stock, which was very great.

Discussion followed.

The Committee adjourned.

REPORTS OF COMMITTEE

Interim and Final Reports of the Special Committee appointed to consider questions relating to the Pensions, Insurance and Re-establishment of Returned Soldiers and any Amendments to the Existing Laws in relation thereto which may be proposed or considered necessary by the Committee.

Mr. Jean J. Denis (Joliette), Chairman of the said Committee, presented the following Interim and Final Reports to the House:—

FIRST REPORT

FRIDAY, May 30, 1924.

“Your Committee in accordance with a resolution adopted at their meeting held this day, recommend that their quorum which is now 15 members be reduced to 9 members.”

On motion of Mr. Denis (Joliette), this Report was concurred in the same day.

SECOND REPORT

FRIDAY, July 11, 1924.

The principal duty of the Committee was to consider the Second Interim Report on the second part of the investigation by the Royal Commission on Pensions and Re-establishment appointed during the session of 1922. This report contains many valuable recommendations, all of which have been considered by the Committee and where deemed necessary, recommendations respecting legislation thereon will be found in this report.

For the purpose of convenience, this report is divided into the following sections:—

(1) Second Interim Report on the Second Part of the Investigation by the Royal Commission on Pensions and Re-establishment regarding amendments to the Pension Act.

(2) Representations on matters not covered by the report of the Royal Commission.

(3) Legislation necessary to give effect to the recommendations of the Committee in respect of pensions.

(4) Suggestions regarding changes in the Department of Soldiers' Civil Re-establishment Act and Legislation necessary to give effect to the recommendations of the Committee.

SECTION 1

RECOMMENDATIONS OF THE ROYAL COMMISSION ON PENSIONS AND RE-ESTABLISHMENT

Sessional Papers No. 203, May 1st, 1924

The various recommendations are herein set out together with the conclusions of your Committee thereon;—

Recommendation of Commission re Section 11 (1) (b).

That necessary steps be taken to ensure that the interpretation and practice indicated in the Instruction above quoted is invariably followed.

The instruction referred to is quoted as being from the Chief Medical Advisor of the Board of Pension Commissioners, and to the effect that the whole disability must have disappeared before pension ceases.

Your Committee in giving consideration to this recommendation finds that necessary provision has already been made in Section 3, Subsection f., Chapter 62 of the Statutes of 1923.

Recommendation of Commission re Section 12 (1).

That Section 12 (1) be amended so that the prohibition there imposed shall only apply to improper conduct after enlistment.

That the discretion to award pensions should be exercised in case of dependency, even where the misconduct was on service.

Your Committee considers that where an ex-member of the Forces who saw service in an actual theatre of war, contracted venereal disease prior to enlistment and has that condition aggravated during service, pension should be paid for the full disability present on discharge, no increase in that disability after discharge, however, to be pensionable.

Recommendation of Commission re Section 12 (2).

That any provision deemed necessary for permitting the grant of a compassionate pension or allowance in an individual case of exceptional merit and hardship be made by way of an entirely independent and substantive section, the constitution of the body empowered to make such grant to be as in Section 12 (2). The maximum amount of such grant to be fixed and the necessary procedure to be laid down.

Your Committee is of the opinion that the Meritorious Clause should be broad enough to deal with any case of a member of the forces or his dependents, but should be so controlled as to limit the number of those cases which will be dealt with to those which appear to be especially meritorious. It is of the opinion that as well as the approval of the Board of Pension Commissioners and Federal Appeal Board, such cases should be submitted to and for the approval of the Governor General in Council.

Recommendation of Commission re Section 13.

That Section 13 be amended to provide that where there is an entry on the service or medical documents of the ex-service man by, or in respect of, whom pension is being claimed, showing the death, or existence of any injury or disease which has contributed to the disability or death, in respect of which pension is claimed, such entry shall be considered an application as of the date thereof for pension in respect of such disability or death.

Your Committee is of the opinion that the extension of time during which application for pension on account of death may be made, should be left over for further deliberation by a later committee which would be in possession of facts available at that time after the expiry of the date up to which such applications may be received under the present Pension Law.

Your Committee would point out in this connection that any cases where death claims are involved and that have been or may be debarred as a result of the application of Section 13, are entitled and should be given consideration under the Meritorious Clause as recommended in a foregoing paragraph of the report. The recommendation as presented by the Commission is concurred in, subject to the omission of reference to death.

Recommendation of Commission re Section 17.

That Section 17 be amended to provide that where in the opinion of the Pensions Board it appears that it is of exceptional benefit or advantage to the pensioner, the Board may in its discretion pay the pension or part thereof to or for the pensioner himself.

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This recommendation provides that where a pensioner is undergoing imprisonment the Board will have authority at its discretion to pay over to or on his behalf his pension or a part thereof where conditions seem to warrant same. Your Committee is of the opinion that the recommendation of the Commission herein should be accepted and the necessary change in legislation made.

Recommendation of Commission re Sections 23 (5) and 33 (2)

That Section 23 (5) and 33 (2) be amended by removing the time limit and by providing that the benefits of the section are only to be extended to children or widows who are in a dependent condition.

The recommendation of the Commission herein provides that where a member of the forces who is in receipt of pension in classes from one to five, or in other words, in receipt of pension at the rate of from 80 per cent to 100 per cent inclusive, dies, pension should be payable to his widow and children as if he had died on service, provided such dependents are in a dependent condition. The present law provides that pension is payable to such dependents if death occurs within a period of five years from the date of retirement or discharge or date of commencement of pension. Your Committee is of the opinion and recommends that in lieu of the recommendation of the Royal Commission set out above, the law should be changed so that the period of five years is extended to ten years.

Recommendation of Commission re Section 31 (3).

That Section 31 (3) be amended in the following respects: (a) Limited to pensioners; (b) Limited to cases where the parents are or would be if the son did not contribute, in a dependent condition; (c) Parents' allowance not to be withheld on account of the son being unable by reason of circumstances beyond his control, to contribute towards his parents' maintenance.

This recommendation of the Commission provides (a) for a necessary change in the wording of the act:

(b) for giving statutory effect to what is now the practice of the B.P.C. and

(c) for an extension of the law so that the B.P.C. shall continue payment on behalf of the parents when the pensioner through illness or other unavoidable causes is unable to continue his contributions.

Your Committee is of the opinion that the recommendation should be adopted and in addition that provision should be made for the payments on behalf of the parents to be paid direct to the parents or to the man himself, in the discretion of the Board.

Recommendation of Commission re Section 33 (1).

That Section 33 be amended to the following effect: (a) by striking out the words "unless she was married to him before the appearance of the injury or disease which resulted in his death" in subsection (1), and substituting therefor some phrase in the following sense, viz.: "if her marriage to him took place at a time when symptoms existed from which a reasonably prudent man making reasonable enquiries would have known of the existence and the potential seriousness of the injury or disease which ultimately resulted in death, provided, however, that it shall be conclusively presumed that such symptoms did not exist if at the time of the marriage an injury or disease previously known was so improved as to have removed any resultant pensionable disability.

(b) By inserting a provision that the foregoing prohibition shall not apply when the marriage took place prior to the date one year after the discharge of the member of the forces if (a) there are children of the marriage of pensionable age, (b) the widow is in a dependent condition.

The above recommendation of the Royal Commission provides that the law respecting the non-payment of pension in cases where marriage took place after the appearance of the disability shall be changed in accordance with the conditions set out in the recommendation.

Your Committee while concurring generally in the recommendation of the Royal Commission is of the opinion that the proviso regarding the dependency of the widow would be difficult to apply. It is also of the opinion that certain safeguards should be introduced respecting marriage after one year from the date of discharge. Your Committee therefore recommends that an amendment be made to the Pension Act as set forth in Section 3 of this report.

Recommendation of Commission re Sections 34 (1) 34 (3) 34 (4) 34 (5) 34 (7).

That provision be made so that widowed mothers who fall into a dependent condition after the soldier's death and who, in the opinion of the Pensions Board, would have been wholly or to a substantial extent maintained by the soldier had he lived, will be in the same position regarding pension as the widowed mother under Sections 34 (1) and 34 (7), so that personal earnings will not be deducted from pension.

Your Committee is of the opinion that the recommendation of the Royal Commission should be put into effect and that the necessary change in the Act should be made.

Recommendation of the Commission re Section 38.

That provision be made that, in case of the death of a pensioner and pending consideration of a claim for pension on account of such death, payment of an amount equal to pension for death, shall be made to the dependent in weekly instalments for a period not exceeding one month, such amount to be refunded if pension is eventually awarded.

The above recommendation of the Royal Commission provides that in case of death of a pensioner, and pending consideration of claim for pension on account of such death payable to his dependents, that such dependents should be paid one month's full pension for death.

Your Committee in giving consideration to this recommendation has felt that it is one which might well be put into effect especially in view of the fact that circumstances exist after death in many cases which make the situation very difficult for the dependents. It would, however, point out that under Section 23-6, Chapter 38 of the present Statutes, there is a further provision for the payment of bonus on account of children where death occurs under conditions which do not entitle the dependents to pension. It would recommend in this connection that in drawing up the necessary legislation giving effect to the recommendation set out above, consideration should be given to this provision and arrangements made so that the dependents will receive whichever benefit is the greater. It recommends also that the payment made under this provision should be in a lump sum rather than in weekly instalments.

Recommendation of the Commission re Section 41.

That provision be made that in the case of the death of the husband of a woman married or remarried, as contemplated by Section 41, and if such death takes place within five years after such marriage or remarriage, pension be restored if and so long as the widow is in a dependent

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condition, and the final payment previously made under Section 41 be refunded in instalments as fixed by the Pensions Board, such instalments not to exceed 50 per cent of the amount of the restored pension being paid from time to time.

The recommendation of the Royal Commission as set out is self-explanatory. Your Committee is of the opinion that same should be accepted and that necessary changes in the Pension Act should be made.

Recommendation of Commission re Lump Sum Payments.

That provision be made so that in cases of final payment where pension is subsequently revived, the deductions from the current pension to refund the final payment previously made shall not exceed 50 per cent of the increase of pension, unless such increase is less than 10 per cent.

Your Committee is of the opinion that the above recommendation of the Royal Commission is a reasonable and just one and should be accepted.

Recommendation of Commission re Lump Sum Payments.

That provision be made that in cases where the Pension Board has notified the pensioner of his option to accept a final payment in lieu of pension and has designated the disability as "permanent" and the pensioner has elected to continue the pension, the latter shall not be discontinued without paying to the pensioner the amount of the final payment previously offered less the amount which has been paid since September 1st, 1920, or since the date when an award of 14 per cent or under was made, whichever is later.

The terms of the recommendation of the Royal Commission are self-explanatory, and your Committee recommends the adoption of same.

Recommendation of Commission re Children's Allowances under Schedules "A" & "B."

That Schedules "A" and "B" be amended to provide that when there is more than one child the sum of the amounts payable to or for them for pension may, in the discretion of the Pensions Board be distributed between such children equally or in such proportion as may be considered equitable under the circumstances.

The present law makes it difficult to properly administer pensions, particularly in the case of orphan children. The schedule definitely provides that the first child shall receive \$180 per annum; the second \$144 and the third and succeeding children, \$120 per annum with double these amounts for orphan children. This recommendation provides that payments on account of children may be distributed at the discretion of the Board of Pension Commissioners to meet the situation.

Your Committee supports this recommendation.

Recommendation of Commission re Pension Bonus.

The Commission recommends that provision be made so that the present Pension Bonus will not be cancelled or reduced for at least five years.

The present basic rate of pension for a single man, totally disabled, is \$600 per annum, or \$50 per month. To this has been added a bonus of 50 per cent, bringing the total amount up to \$900 per annum or \$75 per month. Additional amounts are payable on account of dependents.

Your Committee in giving consideration to this recommendation is of the opinion that the bonus should now be absorbed into the basic pension rate which should be raised accordingly, and that further such rate should not be limited as to its time of application.

Recommendation of Commission re Table of Disabilities.

The Commission is of the opinion that, while no radical change in the present Table of Disabilities is either indicated or desirable, the necessary steps should be taken to examine and revise the Table of Disabilities in the light of the experience of the past six or seven years, with special reference to the matters hereinbefore discussed as well as any other matters which may appear to call for remedy.

The Table of Disabilities is discussed at some length in the report of the Royal Commission and several definite suggestions made in regard to the additional wear and tear of clothing in amputation cases, the varying awards made owing to slight differences in the length of stumps and the pension paid in the case of multiple disabilities.

Your Committee concurs in the foregoing recommendation of the Royal Commission.

Regarding the Table of Disabilities your Committee wishes to state further that it has had the agreeable duty of receiving a delegation of the Amputations Association of Canada, that it has received the evidence of two of the representatives of that Association and, as a result, it recommends that the following specific amendments be made in the Table of Disabilities.

<i>Re: Amputation Cases.</i>	Present Percentage	Recommend
Loss of Hand and arm up to middle of fore- arm.	60%	60%
Loss of arm anywhere from middle of fore- arm to insertion of Deltoid Muscle ..	60-70%	70%
Loss of arm above insertion of Deltoid Muscle	75-80%	80%
Loss of foot and leg up to Middle Third..	40%	50%
Middle Third of leg to above Condyles of Femur.	40-60%	60%
Above Condyles of Femur	60-80%	85%
<i>Double Amputations.</i>		
Two feet up to Middle Third of leg	80%	80%
Above middle Third of leg		100%
Loss of both hands	100%	100%
Loss of one hand and one foot	85%	85%
Any further loss		100%
<i>Allowance for Clothing.</i>		
For amputations above middle third of leg		\$54 00
Above middle of forearm		\$22 00

Recommendation of Commission re Tuberculosis.

That such provision be made that on discharge from Sanatorium of pensionable T.B. cases showing the presence of Tubercle Bacillus in the Sputum, or, if this cannot be demonstrated, in cases proved by X-Ray examination, if moderately advanced and clinically active during the period of observation pension shall be awarded at 100 per cent for a period of at least two years.

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Your Committee favours and supports the recommendation of the Commission as outlined above in respect of those who saw service in a theatre of actual war. It would, however, further recommend that cases which are now pensionable on account of aggravation at 90 per cent where service in a theatre of actual war has not been rendered should continue to be pensionable only at 90 per cent for a period of at least two years as in the case of those pensionable at 100 per cent and provided for in the above recommendation.

Jurisdiction of Federal Appeal Board.

The Commission has made no specific recommendation re the jurisdiction of the Federal Appeal Board. It has pointed out, however, that certain types of cases are not now appealable under the Pension law. After careful consideration your Committee is of the opinion and recommends that the law should be changed to provide that appeal shall lie on any decision of the Board of Pension Commissioners, including decisions as to assessment of amount of pension, but that in cases of assessment appeals, the appellant will be required (a) to obtain the consent of an Official Soldiers' Advisor, (b) to present certificates of examination from two independent qualified medical practitioners in the form of statutory declarations on approved forms, which shall contain an estimate of the percentage of disability, (c) that the estimated percentage of disability as set out in the certificates provided for in (b) shall indicate the appellant's condition to be at least two classes higher than he has been assessed by the B.P.C.

In addition to the above which should be provided for by a change in the Statute, your Committee is of the opinion that the regulations should definitely provide that in cases where the Federal Appeal Board is of the opinion that the information of the doctors on which they are asked to make a decision is not sufficient or is not of sufficiently recent date, the Board should suspend action on the appeal and at the same time order the Board of Pension Commissioners to provide for a new medical examination and a reconsideration of the case, after which time the man may again make an appeal when new evidence as provided for above will be available.

SECTION II

REPRESENTATIONS ON MATTERS NOT COVERED BY THE REPORT OF THE ROYAL COMMISSION

Recommendation re decisions of Pensions and Appeal Boards.

Your Committee is of the opinion:—

(1) That on the approval of the Commission to any award of any pension or to the refusal of any pension a form shall be placed on the file of the member of the forces by or in respect of whom application for pension has been made which shall bear the personal signature of at least one of the Commissioners and shall contain the following information:—

- (a) The names of the Commissioners dealing with the case.
- (b) The grounds on which pension is awarded or refused.
- (c) In the event of the Commission not being unanimous the grounds on which a Commissioner disagrees with the decision reached.

(2) (1) That any judgment rendered by the Federal Appeal Board shall be signed by the Chairman or presiding member of the Board and the Secretary and shall contain the following information:—

- (a) The name or names of the member or members of the Board who heard the appeal.
- (b) The medical classification of the injury or disease causing the disability or resulting in death in respect of which the appeal has been made.
- (c) The medical classification of the injury or disease causing the disability or death in respect of which the appeal is allowed or disallowed as the case may be.

- (d) If the appeal is allowed, whether the injury or disease resulting in disability was attributable to or was incurred during military service or pre-existed enlistment and was aggravated during service.

In the event of a judgment not being unanimous the dissenting member or members of the Board shall submit a minority judgment setting forth in detail the reasons for non-concurrence in the majority judgment.

Recommendation re Section 47.

Your Committee recommends that a change be made in Section 47 of the Act which will enable a mother whose husband is both physically helpless and in a dependent condition, to receive the same supplementary pension as is awarded to a widowed mother, under this section of the Act.

Recommendation re Section 28-B.

Your Committee recommends that the Act should be changed to provide payment of pension in cases where disability arises post discharge, from the date of appearance of the disability rather than from the date of application for pension, with the proviso that no pension payments will be made for a longer period prior to the date of application than six months.

Recommendation re Section 11 (c) Chapter 62.

Your Committee considers it advisable and recommends that the right of appeal in cases where pension has been refused on the grounds of non-attributability should be extended for a further period of one year.

SECTION III

AN ACT TO AMEND THE PENSION ACT

His Majesty, by and with the advice and consent of the Senate and House of Commons enacts as follows:

1. Section 3, Subsection 8, of the Pension Act, Chapter 43 of the Statutes of 1919, is repealed and the following is substituted therefor:

On the approval of the Commission to the award of any pension or to the refusal of any pension a form shall be placed on the file of the member of the forces by or in respect of whom application for pension has been made which shall bear the personal signature of at least one of the Commissioners and shall contain the following information:

- (a) The names of the Commissioners dealing with the case.
- (b) The grounds on which pension is awarded or refused.
- (c) In the event of the Commission not being unanimous the grounds on which a Commissioner disagrees with the decision reached.

2. Section 12 of the said Act as amended by Chapter 62 of the Statutes of 1920 and as further amended by Chapter 45 of the Statutes of 1921, and Chapter 62 of the Statutes of 1923, is repealed and the following is substituted therefor:

(12) A pension shall not be awarded when the death or disability of the member of the forces was due to improper conduct as herein defined; provided

- (a) That the Commission may when the applicant is in a dependent condition, award such pension as it deems fit in the circumstances.
- (b) That the provisions of this section shall not apply when the death of the member of the forces concerned has occurred on service prior to the coming into force of the Pension Act.

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- (c) That in the case of venereal disease contracted prior to enlistment, pension shall be awarded for the total disability at the time of discharge in all cases where the member of the forces saw service in a theatre of actual war, but no increase in disability after discharge shall be pensionable.

3. Section 13 of the said Act as amended by Chapter 62 of the Statutes of 1920 and as further amended by Chapter 38 of the Statutes of 1922, is repealed and the following is substituted therefor:

13. A pension shall not be awarded unless an application therefor has been made within three years—

- (a) After the date of the death in respect of which pension is claimed or,
- (b) After the date upon which the applicant has fallen into a dependent condition, or
- (c) After the date upon which the applicant was retired or discharged from the forces, or
- (d) After the date of the completion of his treatment by the Department of Soldiers' Civil Re-establishment when he was retired or discharged direct to such treatment or undertook such treatment within six months of his retirement or discharge, or
- (e) After the declaration of peace.

Provided:

(i) That where there is an entry in the service or medical documents of the member of the forces by or in respect of whom pension is being claimed showing the existence of an injury or disease which has contributed to the disability in respect of which pension is claimed, such entry shall be considered an application as of the date thereof for pension in respect of such disability.

(ii) That the provision of subsection (e) of this section shall not apply to an applicant claiming dependent pension who was not resident in Canada at the date of the death of the member of the forces and has not continuously resided therein.

4. Section 17 of the said Act as amended by Chapter 62 of the Statutes of 1920, is further amended by inserting the following after the word "arrest" in the eighth line thereof.

"or if in the opinion of the Commission it would be of exceptional benefit or advantage to the pensioner, the Commission may in its discretion pay the pension or a part thereof to or for the pensioner himself."

5. The following section to be numbered 22 is substituted for section 12, subsection (2) which is repealed by this Act.

(22) Any member of the forces or any dependent of a member of the forces or any dependent of a deceased member of the forces whose case in the opinion of a majority of the members of the Board of Pension Commissioners for Canada, and a majority of the members of the Appeal Board acting jointly, appears to be specially meritorious may be made the subject of an investigation and adjudication by way of compassionate pension or allowance with the assent of the Governor in Council.

Provided that the pension awarded under the authority of this section shall not exceed in amount that which could have been granted in the like case under other provisions of this Act if the death, injury, or disease on account of which the pension is claimed, was attributable to military service.

6. Section 23 of the said Act as amended by Chapter 62 of the Statutes of 1920 and as further amended by Chapter 38 of the Statutes of 1922, is further amended by striking out the word "five" in the fifth line of subsection (5) thereof and substituting therefor the word "ten."

7. Section 28, subsection (b), of the said Act as amended by Chap. 62 of the Statutes of 1920 is repealed and the following is substituted therefor:

(b) "In the case in which a pension is awarded to an applicant the appearance of whose disability was subsequent to his retirement or discharge from the forces, in which case a pension shall be paid from a date six months prior to the day upon which application for pension has been received or from the date of the appearance of the disability whichever is the later date.

8. Section 31, subsection 8, of the said Act as amended by Chapter 62 of the Statutes of 1920, is repealed and the following substituted therefor:

(3) "When a pensioner previous to his enlistment or during his service was maintaining or substantially assisting in maintaining one or both of his parents an amount not exceeding \$180 per annum may be paid to each of such parents or to him so long as he continues such maintenance provided that the benefits of this subsection shall be limited to a parent who is, are or would be, if the pensioner did not contribute, in a dependent condition, provided also that the said benefits shall not be withheld or discontinued if by reason of circumstances beyond his control the pensioner is unable to continue his contribution towards the maintenance of his parent or parents."

9. Section 33, subsection (1), of the said Act as amended by Chapter 62 of the Statutes of 1920, is repealed and the following subsection is substituted therefor.

"33 (1) (A) No pension shall be paid to the widow of pensioner unless she was living with him or was maintained by him or was in the opinion of the Commission entitled to be maintained by him at the time of his death and for a reasonable time previously thereto.

(B) No pension shall be paid to the widow of a member of the forces unless she was married to him before the appearance of the injury or disease which resulted in his death. Provided:—

(a) That a pension shall be paid when the marriage took place prior to a date one year after discharge of the member of the forces.

(b) That a pension shall be paid when a member of the forces on and after the coming into force of this Act secures from the Commission a certificate showing that any pensionable injury or disease from which he was suffering at the time of marriage, would not in the opinion of the Commission result in death.

(c) That a pension shall be paid in the case of a member of the forces who has married between a period of one year after his discharge and before the coming into force of this Act, and who has obtained from the Commission a certificate showing that any pensionable injury or disease from which he was suffering at the time of marriage, would not in the opinion of the Commission result in death.

(d) That a pension shall be paid in the case of a member of the forces who has married between the period of one year after his discharge and the coming into force of this Act and who has died of a pensionable disability prior to the coming into force of this Act, when the marriage took place at a time when no symptoms existed from which a reasonably prudent man, making reasonable enquiries, would have known of the existence of the disability.

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potential seriousness of the injury or disease which ultimately resulted in death; provided, however, that it shall be conclusively presumed that such symptoms did not exist, if, at the time of the marriage, an injury or disease previously known was so improved as to have removed any resultant pensionable disability.

(C) Should a member of the forces married between a period of one year after his discharge and the coming into force of this Act, who is still alive at the time of the coming into force of this Act, fail to apply to the Commission for a certificate showing that any injury or disease he was suffering from at the time of marriage would not in the opinion of the Commission result in death and subsequently dies of a pensionable disability, his dependents may apply for a pension on the grounds that marriage took place at a time when no symptoms existed from which a reasonably prudent man, making reasonable enquiries, would have known of the existence and the potential seriousness of the injury or disease which ultimately resulted in death; provided, however, that it shall be conclusively presumed that such symptoms did not exist, if, at the time of the marriage, an injury or disease previously known was so improved as to have removed any resultant pensionable disability."

10. Section 33, subsection 2, of the said Act is amended by striking out the word "five" in the sixth line thereof and substituting therefor the word "ten"

11. Section 34, subsection 3, of the said Act is amended by the addition of the following words after the word "died" in the 10th line thereof:

"provided further that the provisions of subsection (7) of this section shall apply to a widowed mother who falls into a dependent condition after the death of the member of the forces and who in the opinion of the Commission would have been wholly or to a substantial extent, maintained by the member of the forces had he not died."

12. The said Act is amended by the insertion of a new section to be known as Section 39 and to read as follows:

"39. On the death of a pensioner in respect of whom additional pension for a dependent or dependents is payable pending consideration of a claim from such dependent or dependents for pension on account of such death payment of an amount equal to pension for death shall be made to the dependent or dependents in weekly instalments for a period not exceeding one month, such amount to be refunded if pension is eventually awarded.

Provided that if the payments under the provisions of Section 23, subsection 6, of this Act exceed the amount payable under this section the provisions of Section 23, subsection 6, shall apply in lieu of the provisions of this section."

13. Section 41 of the said Act is amended by adding thereto the following:

"If through the death of the husband of a woman married or remarried, within a period of five years after such marriage or remarriage, the said woman is left in a dependent condition, the pension previously awarded to her or such lesser pension as the Commission may at its discretion decide to award, shall be restored as from the date of the death of the said husband provided that there shall be deducted from such pension the amount of final payment previously made at a rate not exceeding 50 per cent of the amount of the restored pension being paid from time to time provided also that the restored pension shall be discontinued should the said woman cease to be in a dependent condition or remarry."

14. Section 47 of the said Act as amended by Chapter 62 of the Statutes of 1920 is further amended by adding after the word "mother," in the ninth line thereof the following, "mother whose husband is both physically helpless and in a dependent condition," and by adding after the word "mother," in the eleventh line thereof the following "mother whose husband is both physically helpless and in a dependent condition".

15. Section 11, subsection 1, of Chapter 62, of the Statutes of 1923, is repealed and the following is substituted therefor:

"11 (1) Upon the evidence and record upon which the Board of Pension Commissioners gave their decision an appeal shall lie in respect of any decision of the said Board of Pension Commissioners, provided that in cases of assessment appeals the appellant shall be required (a) to obtain the consent of an Official Soldiers' Advisor before presenting his appeal; (b) to present certificates of examination from two independent qualified medical practitioners in the form of statutory declarations on approved forms which shall contain an estimate of the percentage of disability, and (c) that the estimated percentage of disability as set out in the certificates provided for shall indicate the appellant's condition to be at least two classes higher than he has been assessed by the Board of Pension Commissioners."

16. Section 11, subsection 3, of Chapter 62, of the Statutes of 1923, is repealed and the following is substituted therefor:—

"(3) The right of appeal in respect of any refusal of pension by the Board of Pension Commissioners on the grounds that the disability resulting from injury or disease or the aggravation thereof, or that the injury or disease or the aggravation thereof resulting in death was not attributable to or was not incurred during military service shall be open for two years after the appointment of the Federal Appeal Board by the Governor in Council, or for one year after the decision complained of whichever is the later, and the right of appeal in respect of any other decision by the Board of Pension Commissioners shall be open for one year after the coming into force of this Act, or for a like period after the decision complained of whichever is the later."

17. Section 11, of Chapter 62, of the Statutes of 1923, is further amended by the addition of the following subsection to be numbered subsection (6):—

"(6) (A) Any judgment rendered by the Federal Appeal Board shall be signed by the Chairman or presiding member of the Board and the Secretary and shall contain the following information:

- (a) The name or names of the member or members of the Board who heard the appeal,
- (b) The medical classification of the injury or disease causing the disability in respect of which the appeal has been made,
- (c) The medical classification of the injury or disease causing the disability in respect of which the appeal is allowed or disallowed as the case may be,
- (d) If the appeal is allowed, whether the injury or disease resulting in disability was attributable to or was incurred during military service or pre-existed enlistment and was aggravated during service.

(B) In the event of a judgment not being unanimous the dissenting member or members of the Board shall submit a minority judgment setting forth in detail the reasons for non-concurrence in the majority judgment."

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18. (1) Members of the Forces who were at the time of retirement or discharge or who later have become disabled to an extent of between five and fourteen per cent may elect to accept a final payment in lieu of the pensions set forth in Schedule A of this Act. The amount of such final payment in cases of disability between five and nine per cent shall not exceed \$300 and in cases of disability between ten and fourteen per cent shall not exceed \$600 and shall be determined in accordance with the extent of the disability and its probable duration. Members of the forces permanently disabled between ten and fourteen per cent shall receive \$600. Members of the forces permanently disabled between five and nine per cent shall receive \$300. If an election has been made to accept a final payment such election is final unless the disability of the member of the forces concerned becomes greater in extent in which case pension may be restored as hereinafter provided. If a married pensioner desires to elect to accept a final payment the consent of his wife must be secured. All payments of pension made subsequent to the time at which an award of fourteen per cent or under is made shall be deducted from the amount of the final payment, provided that no deduction shall be made for the period prior to the 1st September, 1920.

(2) If subsequent to the award of a final payment it is found that the disability of the member of the forces has increased by five per cent or over he shall be restored to pension as from the date of the final payment and the additional pension for the increased disability shall be paid from such date as may be determined by the Commission and there shall be deduction from the arrears of pension so created and from future payments of pension, the amount of the said final payment, provided that the deductions from future payments of pension shall not exceed 50 per cent of the pension payable.

(3) If a pensioner has been offered a final payment on the grounds that his disability is permanent and he has elected to continue on pension but it has subsequently transpired on re-examination that the disability was not permanent, the pension shall not be discontinued without paying to the pensioner the amount of the final payment previously offered less the amount which has been paid since the 1st September, 1920, or since the date when an award of fourteen per cent or under was made, whichever is the later.

19. Schedules A and B, of Chapter 45, of the Statutes of 1921 as amended by Chapter 38 of the Statutes of 1922, are repealed and the Schedules A and B to this Act are substituted therefor.

20. The provisions of this Act with the exception of Sections 1, 4, 5, 7, 8, 11, 12, 15, 16, 17 and 18 hereof and Schedules A and B shall be operative as from the 1st September, 1919, and all cases affected thereby shall be reviewed and future payments shall be made at the rates and in accordance with the provisions set forth herein, provided that if, owing to the amendments contained in this Act, other than those contained in Sections 1, 4, 5, 7, 8, 11, 12, 15, 16, 17 and 18 and Schedules A and B, not being contained in Chapter 43 of the Statutes of 1919, amendments thereto previous to this Act, any persons have been refused pension, the pension to which they would have been entitled, had this Act been in force, shall be awarded retroactively at the rates previously in force subject to the provision of subsection 4 of Section 6 of Chapter 62 of the Statutes of 1923, provided also that if owing to the amendments contained in this Act not being contained in Chapter 43 of the Statutes of 1919 and amendments thereto previous to this Act, any persons have been awarded pension who would not under the provisions of this Act be entitled thereto such pension shall be continued.

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SCALE OF PENSIONS

Percentage of Disability—Class

Rank or Rating of Member of Forces	Class 1 Total 100%	Class 2 — 99%-95%	Class 3 — 94%-90%	Class 4 — 89%-85%	Class 5 — 84%-80%	Class 6 — 79%-75%	Class 7 — 74%-70%
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Sub-Lieutenant (Naval): Lieutenant (Military) and all ranks and ratings below.....	900 00	855 00	810 00	765 00	720 00	675 00	630 00
Lieutenant (Naval): Captain (Military).....	1,000 00	950 00	900 00	850 00	800 00	750 00	700 00
Lieutenant Commander (Naval): Major (Military).....	1,260 00	1,197 00	1,134 00	1,071 00	1,008 00	945 00	882 00
Commander and Captain under three years' seniority (Naval): Lieutenant-Colonel (Military).....	1,560 00	1,482 00	1,404 00	1,326 00	1,248 00	1,170 00	1,092 00
Captain (Naval): Colonel (Military).....	1,890 00	1,795 50	1,701 00	1,606 50	1,512 00	1,417 50	1,323 00
Commodore and higher ranks (Naval): Brigadier-General and higher ranks (Military).....	2,700 00	2,565 00	2,430 00	2,295 00	2,160 00	2,025 00	1,890 00
Above Ranks— Additional pension for married members of the Forces.....	300 00	285 00	270 00	255 00	240 00	225 00	210 00
Additional pension for children for above ranks— 1 child.....	180 00	171 00	162 00	153 00	144 00	135 00	126 00
2 children.....	324 00	309 00	294 00	279 00	264 00	249 00	234 00
Each subsequent child an additional.....	120 00	114 00	108 00	102 00	96 00	90 00	84 00

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DULE A

FOR DISABILITIES

and Annual Amount of Pension

Class 8	Class 9	Class 10	Class 11	Class 12	Class 13	Class 14	Class 15	Class 16	Class 17	Class 18	Class 19	Class 20
69%-65%	64%-60%	59%-55%	54%-50%	49%-45%	44%-40%	39%-35%	34%-30%	29%-25%	24%-20%	19%-15%	14%-10%	9%-5%
\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
585 00	540 00	495 00	450 00	405 00	360 00	315 00	270 00	225 00	180 00	135 00	90 00	45 00
650 00	600 00	550 00	500 00	450 00	400 00	350 00	300 00	250 00	200 00	150 00	100 00	50 00
819 00	756 00	693 00	630 00	567 00	504 00	441 00	378 00	315 00	252 00	189 00	126 00	63 00
1,014 00	936 00	858 00	780 00	702 00	624 00	546 00	468 00	390 00	312 00	234 00	156 00	78 00
1,228 50	1,184 00	1,039 50	945 00	850 50	856 00	661 50	567 00	472 50	768 00	283 50	189 00	94 50
1,755 00	1,620 00	1,485 00	1,350 00	1,215 00	1,080 00	945 00	810 00	675 00	540 00	405 00	270 00	135 00
195 00	180 00	165 00	150 00	135 00	120 00	105 00	90 00	75 00	60 00	45 00	30 00	15 00
117 00	108 00	99 00	90 00	81 00	72 00	63 00	54 00	45 00	36 00	27 00	18 00	9 00
219 00	204 00	189 00	174 00	159 00	144 00	126 00	108 00	90 00	72 00	54 00	36 00	18 00
78 00	72 00	65 00	60 00	54 00	48 00	42 00	36 00	30 00	24 00	18 00	12 00	6 00

SCHEDULE B
SCALE OF PENSIONS FOR DEATHS

Rank or Rating of Member of Forces	Rate per Annum		
	Widow or Dependent Parents	Child or Dependent Brother or Sister	Orphan Child or Orphan Brother or Sister
	\$ cts.	\$ cts.	\$ cts.
Sub-Lieutenant (Naval); Lieutenant (Military) and all ranks and ratings below.....	* 720 00	.....	.....
Lieutenant (Naval); Captain (Military).....	* 800 00	.....	.....
Lieutenant Commander (Naval); Major (Military)...	*1,008 00	.....	.....
Commander and Captain under three years' seniority (Naval); Lieutenant-Colonel (Military).....	*1,248 00	.....	.....
Captain (Naval); Colonel (Military).....	*1,512 00	.....	.....
Commodore and higher ranks (Naval); Brigadier- General and higher ranks (Military).....	*2,160 00	.....	.....
Additional pension for children or dependent brothers or sisters for above ranks.....	One child.....	*180 00	*360 00
	Two children.....	*324 00	*648 00
	Each subsequent child an additional.....	*120 00	*240 00

*Pensions awarded to parents or brothers and sisters may be less than these amounts in accordance with the provisions of this Act.

SECTION IV

SUGGESTIONS REGARDING CHANGES IN DEPARTMENT OF
SOLDIERS' CIVIL RE-ESTABLISHMENT ACT

Your Committee in the course of its deliberations, has examined into general matters affecting re-establishment, including the administration of the Department of Soldiers' Civil Re-establishment, and has two recommendations to make in this connection which involve the changing of the legislation, viz:—

(1) The Department is charged with the care and maintenance of a number of former members of the forces who are insane and is holding certain moneys on behalf of these persons. While the Act now in force provides for the retention and disposal of moneys due to such persons the Department has no authority to give a valid receipt for the same and as a result moneys are now in the hands of provincial governments and other parties which should be paid over to the Receiver-General and credited to the accounts of the patients on the books of the Department. It is also necessary in certain cases to assume guardianship for the purpose of dealing with moneys due to or held in trust for departmental patients. Your Committee recommends that the necessary change in the Act should be made to give the Department power to give a valid receipt for such moneys which will be turned over to its care on this account.

(2) Section 5, subsection 2 (b) of the Department of Soldiers' Civil Re-establishment Act as amended by Chapter 29, 10 George V, 1919, provides that subject to the approval of the Governor in Council, the Minister may make such regulations from time to time as he may deem necessary and advisable (b) and granting authority to the Minister, subject to rules and regulations approved by the Governor in Council, to employ such special technical and

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temporary staff as may be required to meet the special conditions that may arise in carrying on the work with which the Minister is charged, notwithstanding the Civil Service Act, 1918, and amendments thereto, and other similar Acts bearing on the Civil Service of Canada; provided, however, that the rules and regulations referred to shall contain such appropriate provisions as are necessary to have such appointments from time to time as required certified by the Civil Service Commission.

Under the above authority the Department has since that time made appointments to its staff, given increases in salary where deemed advisable, and granted holidays and other privileges in accordance with the general provisions of the Civil Service Act, subject in all cases to the regulations which were approved and set out in Orders in Council. During the last year this practice has been questioned by the Auditor General supported by the Department of Justice, who has indicated that technically speaking the Department has no power to do anything but appoint staff, and has no authority to name conditions of employment. In view of the fact that this section of the Civil Service is in all respects operating under different conditions than those existing in the rest of the Service, and in view of the fact that for some four years the Department has adopted the practice set out above with the full authority of the Governor in Council, who has consented to the various Orders in Council presented, it is felt that this action should be given legal sanction by the passing of necessary legislative change to carry out the obvious intention of the previous legislation.

Your Committee desires to point out that this recommendation does not change in any degree the practice that has been in force apparently with the full approval of this House and of the Governor in Council, for some four years past. The only alternative would be to appoint the whole staff of the Department to the permanent Civil Service, which has not appealed to your Committee as desirable procedure at this stage.

The legislation required to give effect to the above recommendations is submitted as follows:—

AN ACT TO AMEND THE DEPARTMENT OF SOLDIERS' CIVIL RE-ESTABLISHMENT ACT

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Paragraph (b) of Subsection 2 of Section 5 of the said Act as amended by Chapter 29 of the Statutes of 1919 (second session), is hereby repealed and the following is substituted therefor, to have force and effect as if the repealed enactment had been in the following words:—

“(b) to authorize the selection and employment of such officers, clerks and employees as may be required from time to time for the carrying on of the work with which the Minister is charged and the creation for this purpose of appropriate positions, notwithstanding anything contained in the provisions of the Civil Service Act; and the said staff and positions are hereby wholly excluded from the operation of the said Act and shall be subject in all respects only to the regulations made under the authority of this Act; provided, nevertheless, that the employees selected and employed under the authority of the said regulations shall, as far as practicable, be classified by the Minister in accordance with the schedules of classes of positions set forth in the Civil Service classification, and shall be paid such rates of salary as are thereby prescribed, and the said regulations shall, as regards salary increases, leave of absence, promotions and resignations, conform as nearly as practicable to the regulations made under the Civil Service Act.”

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2. Paragraph (b) of Subsection 2 of Section 5 of the said Act as amended by Chapter 29 of the Statutes of 1919 (second session) is hereby repealed and the following substituted therefor:—

“(d) For the receipt and retention of any properties or moneys held or payable by the Crown or any other authority, person or persons on behalf of any persons or their dependents whenever such persons are being or have been cared for under the provisions of this Act, either by medical treatment, training or otherwise, and for giving therefor a valid receipt, and in the case of insane persons who are being or have been so cared for under this Act the assumption or authorization of guardianship in whole or in part in respect of such properties or moneys; and for the disposal of such properties or moneys to such persons or their dependents or as may be deemed expedient or the disposal thereof to the estates of such persons if deceased.”

MONDAY, July 14, 1924.

On motion of Mr. Denis (Joliette), that the Second Report of the Special Committee appointed to consider questions relating to the Pensions, Insurance and Re-establishment of Returned Soldiers be concurred in, after debate thereon the said motion was allowed to stand.

FRIDAY, July 18, 1924.

On motion of Mr. Denis (Joliette), the Second Report of the Special Committee appointed to consider questions relating to the Pensions, Insurance and Re-establishment of Returned Soldiers was concurred in.

THIRD REPORT

TUESDAY, July 15, 1924.

Your Committee has had its attention drawn to the serious condition existing in various school districts owing to the fact that salvaged lands belonging to the Soldier Settlement Board, within the school district areas, are non-taxable.

This imposes a serious hardship upon many school districts, and your Committee, therefore, recommends that the Government take this matter under its serious consideration, and if possible take appropriate action to alleviate existing conditions.

FRIDAY, July 18, 1924.

On motion of Mr. Denis (Joliette), the Third Report of the Special Committee appointed to consider questions relating to the Pensions, Insurance and Re-establishment of Returned Soldiers was concurred in.

FOURTH REPORT

TUESDAY, July 15, 1924.

Your Committee recommends as follows:—

1. That the Soldier Settlement Board shall immediately make provision for reduction on the price of all live stock advanced to soldier settlers and purchased prior to the 1st of October, 1921, as follows:—

(a) If such live stock was purchased previous to the 1st of October, 1920, a reduction of 60 per cent of the purchase price thereof.

(b) If the said live stock was purchased after the 1st of October, 1920, and previous to the 1st of October, 1921, a reduction of 40 per cent of the purchase price thereof.

2. That the period of interest exemption provided in Section 1 of the amendments to the Soldiers' Settlement Act of 28th June, 1922, be extended until the 1st of October, 1934.

3. Your Committee further recommends that, in the event of any prepayment of principal the soldier settlers shall be entitled to and shall receive a discount at the rate of 5 per cent per annum from the date of such prepayment to the due date of same, but this discount privilege shall not extend beyond the 1st of October, 1934.

4. Your Committee further recommends that the Soldier Settlement Board shall have discretionary power to relocate bona fide soldier settlers who are found to be located upon manifestly unsuitable farms; such relocation to be made without financial loss to the settlers.

5. If after the interest exemption period provided for herein expires, a capital loss is clearly indicated, the question as to whether the Government shall bear the whole or part of the loss can then be determined and if decided affirmatively, appropriate action can then be taken for a readjustment on any instalment remaining unpaid.

FRIDAY, July 18, 1924.

Mr. Denis (Joliette), seconded by Mr. Shaw, moved, That the Fourth Report of the Special Committee appointed to consider questions relating to the Pensions, Insurance and Re-establishment of Returned Soldiers be concurred in.

FIFTH REPORT

TUESDAY, July 15, 1924.

In view of the widespread dissatisfaction amongst returned men and others, and the representations made in regard to the attitude shown by the present Board of Pension Commissioners for Canada, your Committee has taken evidence and having considered the matter very carefully, has come to the following conclusions:

That the interests of the returned men will be better safeguarded, and the intent of Parliament will be better carried into effect by a more sympathetic interpretation of the Pension Act, and its schedules, and that this can be best carried out by the reorganization of the Board of Pension Commissioners for Canada and the medical services attached thereto.

Your Committee therefore recommends to Parliament that the Government be asked to take the necessary steps to carry this resolution into effect.

No motion made to concur in this report.

SIXTH REPORT

FRIDAY, July 18, 1924.

Your Committee have had under consideration the various matters referred to them by the Order of Reference, and have reported on same from time to time.

Your Committee, in addition to numerous meetings of the sub-committees, have held twenty-nine sittings on twenty-eight separate days, and have heard the evidence of twenty-five witnesses.

Your Committee submit herewith for the information of the House a printed copy of their proceedings, and the evidence given before the Committee.

Your Committee recommend that the Order of Reference, Reports, Proceedings, and the Evidence given before the Committee, together with a suitable index to be prepared by the Clerk of the Committee, be printed as an appendix to the Journals of the House of the present Session, and for distribution, and that Rule 74 be suspended with reference thereto.

JEAN J. DENIS,
Chairman.

(For Minutes of Proceedings and Evidence accompanying said Report, see Appendix to the Journals No. 6.)

FRIDAY, July 18, 1924.

On motion of Mr. Denis (Joliette), the Sixth Report of the Special Committee on Pensions, Insurance and Re-establishment of Returned Soldiers was concurred in, and rule 74 was suspended in relation thereto.

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